

# 2

## CORPORATE SOCIAL RESPONSIBILITY AND NON-FINANCIAL PERFORMANCE **AFR**

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Hermès wishes to advise the reader of the inherent limits of forward-looking statements as well as the proper understanding of the concepts of materiality or significance, in the specific context of this sustainability report (see “Disclaimer, page 195 of this document”).

## 2.1 SUSTAINABILITY INFORMATION

### 2.1.1 GENERAL DISCLOSURES (ESRS 2)

#### 2.1.1.1 REPORTING BASIS (BP-1 AND BP-2)

##### **Preparation context**

The sustainability disclosures have been prepared as part of the first-time application of legal and regulatory requirements following the transposition of the European Corporate Sustainability Reporting Directive ("CSRD").

This first year of implementation of the CSRD is marked by many uncertainties. In addition to those inherent in the state of scientific or economic knowledge as well as the quality of the external data used, several interpretations of the texts remain, for which additional clarifications from the standardisation or regulatory bodies are expected, in particular concerning sector-specific standards for the application of the ESRS or the application of the technical criteria of the Taxonomy Regulation.

The Group has therefore endeavoured to apply the normative requirements set by the ESRS, as applicable at the date of preparation of the sustainability report, on the basis of available information (for example, information required on policies, actions, measures or objectives), within the deadlines for preparing the sustainability statement.

The preparation of sustainability information was also complicated by the absence of comparative data and reliable benchmarks, in particular at sector level, as well as by difficulties in collecting market data, particularly within the value chain.

In some cases, these difficulties in accessing reliable data have forced us to use estimates, which it should be possible to refine as the quality of the available data improves.

##### **Scope of the sustainability report**

The sustainability report corresponds to section 2.1 "Sustainability information". The scope of this sustainability report covers all of the Hermès Group operations, including all sites, métiers and subsidiaries, as well as all regions, the scope of which is detailed in chapter 1 "Presentation of the Group and its results", § 1.4. The scope of consolidation used for this sustainability report is identical to that of the consolidated financial statements, with the exception of companies consolidated by the equity method which are not included and have been deemed non-material as regards sustainability matters.

The entities consolidated during the year are part of the reporting scope, with the exception of certain indicators for which the limitations of the scope of collection applied on a case-by-case basis on certain data are explained in the sub-section relating to this data.

This sustainability report covers the Group's entire value chain as well as its business model, as presented in § 2.1.1.5.

The reporting periods used are as follows:

	<b>Social information</b>	<b>Environmental information</b>	<b>Governance information</b>
12-month reporting period	01/01-31/12	01/10-30/09	01/01-31/12

Environmental information is collected on an annual basis that closes at the end of the third quarter to allow for timely consolidation and analysis of data. There were no significant events in the fourth quarter of 2024 that would call into question the significance of these data compared with an analysis based on a financial year.

The time horizons used in the materiality exercise to assess the risks are specified in § 2.1.1.6.

In the context of this sustainability report, Hermès did not use the option to omit specific sensitive information (in accordance with ESRS 1, section 7.7, and Article 19a, paragraph 3 and Article 29a, paragraph 3 of Directive 2013/34/EU).

#### Time horizons

In accordance with ESRS 1, Hermès assessed the time horizon of occurrence of each IRO whenever the IRO in question was “material”, both in terms of impact materiality and financial materiality. The thresholds were set in accordance with the implementation guidelines published by EFRAG:

- short-term (ST): one year (“the period adopted by the company as the reference period in its financial statements”);
- medium term (MT): more than one year up to five years;
- long-term (LT): more than five years.

Hermès uses the same definitions throughout the report, in particular for the expected figures and for the objectives relating to different time horizons.

#### Value chain estimates and sources of uncertainty associated with estimates and results

The sustainability information may be subject to inherent uncertainty due to the state of scientific and economic knowledge and the quality of internal and external data used (data calculated for the value chain, for example). The subject of estimates concerning the value chain is addressed in two thematic standards, namely § 2.1.2.1.7 (E1 standard - scope 3 data) and § 2.1.2.4.2 (E4 - biodiversity). In addition, the quantification of certain sustainability information, in particular environmental information, is subject to estimates and judgements based in particular on the Group's experience and internationally recognised sustainability standards as well as the best information available to date. These estimates are sensitive to methodological choices and the assumptions used to prepare them. The nature and scope of the estimates used are as follows:

##### *Details of environmental data*

The Group uses estimates to calculate indirect greenhouse gas emissions (scope 3): (i) for estimating activity data, and (ii) for estimating emission factors, as described in § 2.1.2.1.7.

The Group also uses estimates to report data on substances of very high concern, as described in § 2.1.2.2.7.

With regard to biodiversity, Hermès wanted to shape its approach to reducing its impacts on biodiversity using the framework built by the SBTN approach. It is with this in mind that the Group has chosen to align biodiversity reporting with the method used to manage the subject operationally in the Group's entities. SBTN steps 1 and 2 enabled Hermès to assess the biodiversity of its production sites using two tools (STAR and BII); Hermès is publishing the results

obtained from these tools in order to meet the expectations of the E4 standard regarding the identification and prioritisation of sites in biodiversity-sensitive areas. More precise information on these two tools as well as on the results obtained, their processing and their use is available in § 2.1.2.4.2. The Group will monitor future advances in biodiversity-related tools and may develop its work accordingly

#### Elements of progressivity

In the context mentioned in the introduction, the Group has initiated work that it will continue in the coming years.

The transition plan was drawn up in the following context: SBTi validated the emission reduction objectives for scopes 1, 2 and 3 (horizon 2030) at the end of 2021, based on a reference year of 2018, including a reduction objective for the relative value of scope 3 emissions, whose objective is to contain global warming “well below 2°C”, in accordance with the SBTi sector recommendations at the time of its certification. There is no scope 3 emission reduction objective in absolute value as of this date. Thus, Hermès presents in its sustainability report targets for 2030 and does not present targets for 2050, in line with the SBTi objectives. Moreover, Hermès is not in a position to communicate the consolidation of the quantification of decarbonisation levers for scope 3 emissions implemented and planned in the various Group entities.

Hermès is working on the formalisation of its objectives, which will enable it to comply with the “net zero” standard in accordance with the expectations of the CSRD and will submit a new file to the SBTi in 2025. The physical risk analyses carried out by Hermès will also be supplemented in order to use more pessimistic scenarios.

Hermès has also indicated in this sustainability report that it is not able to quantify certain data points: on the planned cancellation of carbon credits (E1-7 AR 64), on inflow resources (E5-4-31), on the total amount of fines, penalties, and compensation for damages as a result of incidents and complaints relating to discrimination and harassment (S1-17-103c), on the prevention of corruption (G1-3-21b) and on payment terms (G1-6-33b). These data points do not contain any material information likely to influence the reader's judgement. Capital expenditure (CapEx) and operating expenses (OpEx) related to action plans that are not disclosed in this document are not material from the point of view of the Group.

Lastly, to take into account the best practices and recommendations of the market as well as better knowledge of these new regulatory and normative provisions, the Group may be required, where necessary, to change certain reporting and communication practices, as part of a continuous improvement approach.

**Information incorporated by reference**

Data points	Reference document	Document section
ESRS 2 - GOV 1	Universal registration document	Chapter 3, § 3.3 "Administrative and management bodies" and § 3.4 "Organisation of the Supervisory Board"
ESRS 2 - GOV 3	Universal registration document	Chapter 3, § 3.8.2 "Overview of compensation and benefits of all kinds for Corporate Officers"
ESRS 2 - SBM 1	Universal registration document	Chapter 1, § 1.5 "Presentation of the Group and its results"
ESRS 2 - SBM 1	Universal registration document	Chapter 1, § 1.4 "Presentation of the Group and its results"
ESRS 2 - SBM 1	Universal registration document	Chapter 1, § 1.4 "Presentation of the Group and its results"
ESRS E1-1	Universal registration document	Chapter 5, § 5.6 "Consolidated financial statements AFR"
TAXONOMY	Universal registration document	Chapter 4 "Changes in complexity and interpretation of tax regulations"
ESRS S2-4	Universal registration document	Chapter 4, § 4.1 "Factors and management AFR"
ESRS S3 - 1	Vigilance plan	Chapter 3 – "Human rights and fundamental freedoms"
ESRS G1 - 4	Universal registration document	Chapter 6, § 6.7 "Parent company financial statements AFR"

**2.1.1.2 SUSTAINABILITY GOVERNANCE  
(GOV 1 AND GOV 2)**

**2.1.1.2.1 Composition of executive and supervisory bodies**

Hermès, present throughout the world, is an independent House supported by family shareholders, a sign of stability and longevity.

The House benefits from an experienced and balanced governance, allowing proper consideration of sustainability matters and issues in its strategy.

Hermès details the composition and role of its administrative, management and/or supervisory bodies in chapter 3 "Corporate governance", § 3.2. The cross-reference table below highlights the sections relating to the information covered in § 2.1.4.1.3.

For Hermès International, these bodies are the Executive Management and the Supervisory Board.

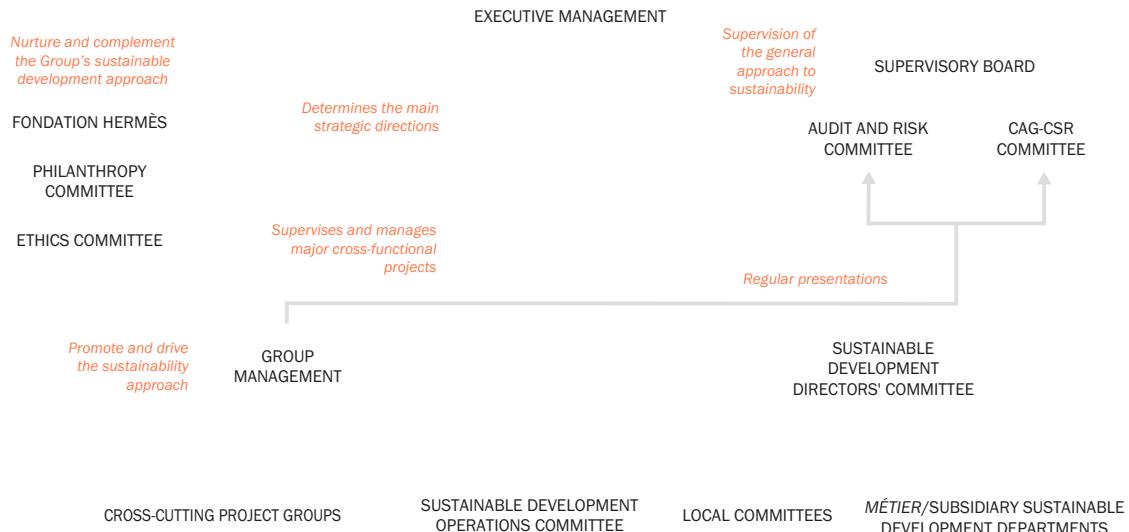
	Executive Management assisted by its Executive Committee	Supervisory Board
GOV-1-21-a - Membership and composition	§ 3.3.1 and § 3.3.3	§ 3.4.5
GOV-1-21-b - Employee representation	Not applicable	§ 3.4.5
GOV-1-21-c - Experiences and expertise	§ 3.3.3.1.2	§ 3.4.5.2
GOV-1-21-d - Gender diversity and other diversity indicators	§ 3.3.4	§ 3.4.3
GOV-1-21-e - % of board members who are independent	Not applicable	§ 3.4.3.2

**2.1.1.2.2 Monitoring of sustainability impacts, risks and opportunities (IRO) by management and supervisory bodies**

**AT EXECUTIVE MANAGEMENT LEVEL**

The Executive Management plays an active role in the operational implementation of the policies, actions and results associated with Impacts, Risks and Opportunities (IRO). In 2024, several joint sessions with the Group's Executive Committee were held to validate the main strategic orientations relating to the IROs that were material for the Group, monitor the objectives and associated results, and ensure that the resources allocated were appropriate.

Sustainability governance as structured at Group level is as follows:



#### Definition of major governance bodies above:

##### Sustainable Development Board

The Sustainable Development Board comprises directors of the Group's main central functions and integrated supply chains. This Board oversees the implementation of the CSR approach, steers major cross-functional projects, oversees the roadmaps of the House's main entities, launches and monitors *ad hoc* working groups, and identifies key decisions to be submitted for approval to the Executive Management and its Executive Committee.

##### Sustainable Development Directors' Committee (C3D)

To complement the Board's functions and structure the management of the sustainable development function within the Group, this new body now brings together the sustainable development directors of the métiers, sustainable development functions and subsidiaries within the House. This Committee addresses the management of the entity's roadmaps and promotes discussion on cross-functional training and internal communication issues.

##### Group sustainable development department

Reporting to a member of the Executive Committee, this proposes and implements the Group's strategy and oversees the approach taken by the committees and all functional and operating departments and Group subsidiaries, both in France and internationally. It monitors achievements, coordinates the operation of various committees, provides support to local committees and

manages, with its internal partners, cross-functional projects and non-financial reporting.

##### Group Operations Committee

Composed of more than 100 members representing the main métiers and central functions, as well as the French-speaking distribution subsidiaries, it analyses the technical and functional aspects of the projects carried out by the various entities of the House and enables its members to share best practices and topical sustainable development information.

##### Local Sustainable Development Committees

Led by the main métiers and subsidiaries, they initiate and monitor the actions undertaken. These bodies may be supplemented by management and *ad hoc* committees when new sustainable development projects are implemented by subsidiaries and entities. Cross-functional committees, led by Group departments, manage issues, often of a medium-term nature, that are of common interest. They focus in particular on issues relating to recycling, materials innovation, the circular economy, sustainable construction and logistics.

##### Métier/subsidiary sustainable development departments

These are responsible for leading the approach at their level and for committing to a CSR roadmap each year. The Group's main métiers and subsidiaries have a part-time or dedicated sustainable development manager.

## AT SUPERVISORY BOARD LEVEL

The Group's Supervisory Board is involved, through its committees (see chapter 3 "Corporate governance", § 3.4), in the oversight of the proper management of the impacts, risks and opportunities (IRO) identified. It is kept informed of the process of identifying these IROs, notably through its committees and the Executive Management. Starting in 2023, a multi-year training programme on environmental issues, and climate in particular, was developed in collaboration with an external firm to raise the Board's awareness of these issues and their reporting using the CSRD. In November 2024, the work in progress on the double materiality matrix was presented to the Board. In early 2025, the Audit and Risk Committee and the CAG-CSR Committee were given a presentation on the double materiality analysis completed during the financial year and its material IROs. This report was also presented to the Audit Committee on 13 March 2025, which also reported on it to the Board as a whole.

The Supervisory Board, in accordance with the powers granted to it (see chapter 3 "Corporate governance", § 3.5), through its two committees, is also responsible for overseeing the processes,

controls and procedures in place to manage the IROs identified. This role involves regular presentations by the House's experts on the House's major sustainable development issues (i.e. Group sustainable development department, finance department, human resources department, compliance department, industrial department, etc.). These presentations make it possible to verify in particular the definition and achievement of the targets for the various material IROs.

The majority of Supervisory Committee members (excluding employee representative members) have skills in one or more areas of sustainability. These skills enable adequate supervision of the management of information and data relating to material impacts, risks and opportunities, within the framework of the role strictly allocated to the Supervisory Board. In addition to the aforementioned training programme, Supervisory Board members also benefited from awareness-raising conferences on environmental issues led by WWF France (World Wildlife Fund). Details of the training received by members of the Supervisory Board as well as attendance statistics are available in chapter 3 "Corporate governance", § 3.5.

### CROSS-REFERENCE TABLE BETWEEN THE SKILLS OF SUPERVISORY BOARD MEMBERS (§ 3.4.5.2) AND THE MAJOR ISSUES COVERED BY THE IROS (TABLE IN § 2.1.1.6.3)

<b>Human resources/social issues</b>	<b>IRO 24 to 29 and 34 to 35</b>
<b>Management of raw materials and supplies</b>	<b>IRO 19 to 23 and 30 to 33</b>
<b>Resource and waste management</b>	<b>IRO 6 to 13</b>
<b>Climate change/Biodiversity</b>	<b>IRO 1 to 5 and 14 to 18</b>
<b>Ethics/compliance</b>	<b>IRO 36 to 38</b>

#### 2.1.1.2.3 The role of the administrative, management and supervisory bodies in the conduct of business (G1 related to ESRS 2 GOV-1)

##### At Executive Management level, assisted by its Executive Committee

Alongside other members of the Executive Committee, the Executive Management drives compliance with ethics rules, applying a firm policy of zero tolerance of any breach of internal policies relating to compliance. Thus, the governing bodies' commitment in terms of business conduct can be seen at the Group's highest level. In addition, the Executive Vice-President Corporate Development and Social Affairs receives regular reports on the work of the Compliance and Vigilance Committee from the Legal Compliance Director and the Group General Counsel. In this way, these subjects are supervised directly by the Executive Committee, which supports the Executive Management.

##### At Supervisory Board level

The Hermès Supervisory Board monitors in particular matters relating to business conduct covered by the 2.1.4. standard. This covers in particular the fight against corruption, ethical and balanced relations with suppliers, the duty of care and animal welfare. The Supervisory

Board's expertise on business conduct matters is also presented in chapter 3 "Corporate governance", § 3.4. Thus:

- ◆ the Supervisory Board is regularly informed of the ethics and compliance programmes as well as the progress of the Group's corruption prevention plan, in accordance with the Sapin II law, notably through its Audit and Risk Committee;
- ◆ since 11 September 2018, the Supervisory Board's rules of procedure include missions relating to the system for preventing and detecting corruption and influence-peddling;
- ◆ in 2024, Hermès published its second stand-alone vigilance plan<sup>(1)</sup> and continues its continuous improvement approach to the Group's vigilance, including: a strengthened risk mapping methodology, an in-depth risk assessment, the continued rollout of risk mitigation measures and the development of the whistleblowing system. In this respect, a presentation was made to the Audit and Risk Committee on the measures put in place to strengthen all the key processes implemented in the Group, in particular those relating to the assessment of third parties and the H-Alert! whistleblowing system.

1. <https://finance.hermes.com/en/publications/>

#### 2.1.1.2.4 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

2024 marks the first year of identification of IROs as required by the CSRD Directive. These IROs cover issues that have long been known and taken into account by the Group and its governance bodies. For the past two years, the Group has been analysing its material issues according to a principle of double materiality, without applying all the expectations of what would become the CSRD, but rather by already applying this multi-criteria approach to analyse the importance of the issues.

In early 2025, the double materiality matrix, as well as the main material IROs identified, were the subject of dedicated presentations to the Audit Committee and the CAG-CSR Committee, which reported on this work to the Supervisory Board. The Executive Management is involved in more operational oversight of the policies and actions associated with the main material IROs, as well as the monitoring of Group targets, included in the double materiality analysis.

##### At Executive Management level

Executive Management reviewed:

- ◆ the Group's decarbonisation and carbon offset strategy (which corresponds to IRO 1 to 5);
- ◆ the development of animal welfare partnerships (IRO 22 and 23);
- ◆ compliance with the CSRD (cross-functional for all IROs);
- ◆ the social model (IRO 24 to 29);
- ◆ sustainable development training for employees and governing and governance bodies.

##### At Supervisory Board level

The Supervisory Board reviewed the following topics (see chapter 3 "Corporate governance", § 3.7):

- ◆ presentation of the "CSR trajectory" of the Shoes métier;
- ◆ presentation of the Sustainability Academy (IRO 28 and 29);
- ◆ monitoring of the use of sustainable development commitment handbooks in the métiers;
- ◆ group disability policy (IRO 27);
- ◆ presentation of non-financial risks;
- ◆ corruption risk mapping (IRO 38);
- ◆ vigilance plan (IRO 30 to 35, IRO 38);
- ◆ monitoring the rollout of non-financial reporting;
- ◆ update on the main achievements in 2023 and 2024 guidelines in terms of CSR;
- ◆ review of the concrete actions taken as part of the social model (IRO 24 to 29).

#### 2.1.1.2.5 Integration of sustainability-related performance in incentive schemes (GOV-3)

##### At Executive Management level

The Executive Management receives a portion of variable compensation set by the Articles of Association (known as "statutory compensation") which is subject in part (10%) to a non-financial criterion consisting of three quantifiable indices measured each year:

- ◆ decoupling of activity growth at constant scope and exchange rates and the evolution of industrial energy consumption;
- ◆ Group initiatives in favour of gender equality;
- ◆ actions taken to promote the Group's local presence in France and around the world, outside of major cities.

Details relating to the implementation of this criterion and the achievement of this objective are given in chapter 3, "Corporate governance", § 3.8

##### At Supervisory Board level

Given the role assigned to the Supervisory Board and the compensation policy for Board members, as described in chapter 3, "Corporate governance", § 3.8, this compensation is not subject to performance criteria. It includes a fixed component and a variable component, based on the attendance of Board members. As a reminder, the employee representative members of the Supervisory Board do not receive any compensation for their duties.

#### 2.1.1.2.6 Integration of climate sustainability performance in incentive mechanisms (E1 related to ESRS 2 GOV-3)

To date, the compensation of Hermès' Executive Corporate Officers does not include any incentive criterion directly related to climate change mitigation or adaptation. Nevertheless, a corollary criterion determines the receipt of part of their variable compensation, i.e. the decoupling of industrial energy consumption and growth in activity.

#### 2.1.1.3 STATEMENT ON DUE DILIGENCE (GOV-4)

Core elements of due diligence	Paragraphs in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	2.1.1.5.1
b) Engaging with affected stakeholders in all key steps of the due diligence	2.1.1.5.3
c) Identifying and assessing adverse impacts	2.1.1.6.3
d) Taking actions to address those adverse impacts	2.1.1.6.3 (Policies and actions column)
e) Tracking the effectiveness of these efforts and communicating	2.1.1.6.3 (Targets column)

#### 2.1.1.4 RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING (GOV-5)

The Group's internal control is organised into a network of correspondents, coordinated by a central unit. It operates under the authority of the audit and risk management department, which ensures the rollout of an internal control system adapted to the Group's issues and risks across all processes (see chapter 4 "Risk factors and management", § 4.3.).

It has contributed to compliance with the CSRD in two ways:

- ◆ participation in the project rollout with the departments in charge of the project (finance and sustainable development);
- ◆ coordination of the work of internal controllers.

The purpose of the internal control system is to ensure the reliability of the published data (completeness and accuracy). The risk assessment method was thus as follows: work in 2024 focused primarily on quantitative metrics, in particular those resulting from manual processes including complex restatements. Certain criteria were prioritised: stakeholder expectations with regard to the Group's activity, subject to any findings and recommendations from previous external audits or which changed significantly compared to the previous year.

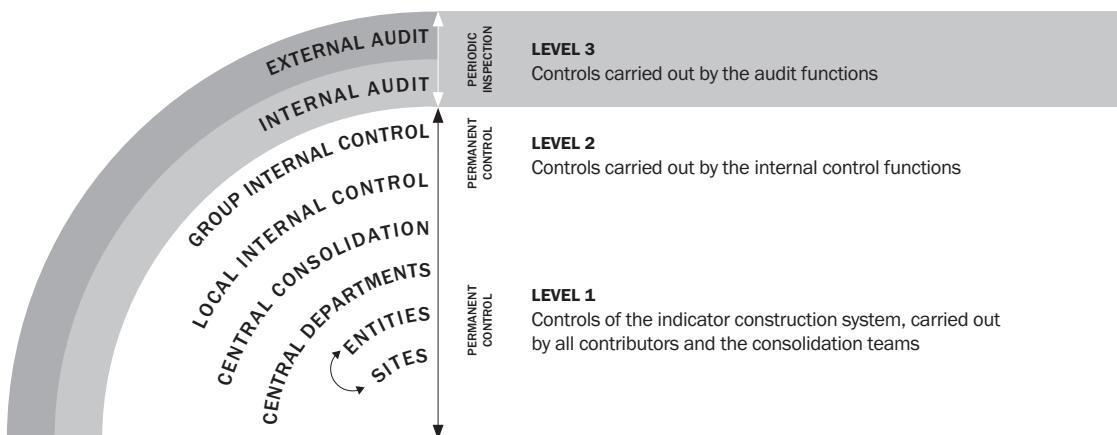
For priority metrics, the central internal control unit ensured the clarity and precision of the associated reporting protocols in order to ensure homogeneity of the data reported by all contributors (precision of

definitions, scope, calculation methods, etc.). Expected key controls were also added to these to ensure the reliability of the data, from their collection to their publication in the final report, including calculation, consolidation, restatement and correction if necessary.

The purpose of the controls planned and described in the reporting protocols in 2024 was to build on those already carried out in previous years as part of the NFPS (Non-Financial Performance Statement). Requirements for formalisation and documentation are nevertheless expected to increase. In some cases, additional controls have been added to this existing system, such as the verification of calculation formulas in the case of the use of manual files to collect and reprocess data. As part of a continuous improvement approach, this new requirement has led to the strengthening of the internal control culture among contributors. This involved explaining the objectives of the system, the roles and responsibilities of each function, as well as the expectations.

Since central internal control is based on level 1 controls carried out at sites and entities, it mainly carried out some checks with the help of local internal controllers on priority metrics at risk in the entities that contribute most. The local internal control network will be more heavily involved in level 2 controls from the second year of application of the CSRD.

Central internal control ensured that the controls at the level of consolidation of the central departments were carried out and documented to the expected level of requirement.



As some metrics are provided via reporting tools, the control system relied on automatic controls wherever possible, improving the formalisation of the controls carried out by the various contributors (e.g. explanation of significant changes).

To facilitate the appropriation of sustainability matters, the conclusions of the reviews carried out and the progress of the project in terms of internal control were presented at CSRD project steering committees. These committees include three members of the

Executive Committee, namely the Executive Vice-President Finance, the Director of Human Resources and the Executive Vice-President of Governance and Organisational Development.

In addition, the double materiality analysis implemented as part of the CSRD was presented to the Audit and Risk and CAG-CSR Committees at a joint meeting in early 2025. The internal control system now includes an item on sustainability matters.

## 2.1.1.5 SUSTAINABILITY STRATEGY

### 2.1.1.5.1 Strategy, business model and value chain (SBM-1)

Details regarding the major groups of products and services offered by the Group, including its major geographic markets over the reference period, are provided in chapter 1 “Presentation of the Group and its results”, § 1.5.

The breakdown of the Group's headcount is described in chapter 1 “Presentation of the Group and its results” § 1.4, and § 2.3.1.2.

The Group has no activity in the sectors listed by ESRS 2 in point 40b (fossil fuels, production of chemicals, weapons, cultivation and production of tobacco).

#### STRATEGY AND BUSINESS MODEL

Since 1837, Hermès has been producing exceptional objects designed to last and be passed on. Moreover, with its craftsmanship savoir-faire, its exclusive distribution network and its creative heritage, Hermès integrates sustainability into all aspects of its business model, taking into account its product and service offering, its customers, geographical areas and relations with stakeholders.

#### Products and services

Hermès ensures that all its products are responsibly manufactured, using sustainable materials, with a frugal use of materials, an approach based on craftsmanship and by applying the principles of the circular economy in its production approach as much as possible. The Company is also working to reduce the carbon footprint of its activities, contributing to the transformation of its supply chain practices and favouring less emitting practices in its direct operations (i.e. energy efficiency, adoption of renewable energy, optimisation of logistics transport chains, etc.).

#### Customers

The Company strives to meet the growing expectations of its customers in terms of transparency on ethics and the environment. Since 2022, it has been gradually providing them with information on the environmental footprint of its products.

#### Geographical areas

Present in 45 countries, Hermès' commitment to sustainability is global, yet adapted to local specificities. Hermès is mainly present in France (62% of its own workers, and 60 production sites). In each region where the Company operates, it works with local partners to

promote sustainable practices, support a community presence and comply with local environmental regulations.

#### Stakeholder relations

Hermès maintains close relationships with its internal and external stakeholders to achieve its sustainability objectives, objectives that are based on a long-term approach and the building of trust. The procedures for dialogue with Group employees are described in § 2.1.3.2. For external stakeholders, dialogue is fuelled by long-term relationships of trust. An example of this is the average length of relationships between Hermès and its top 50 direct purchasing suppliers, which is 19<sup>(1)</sup> years. The Company undertakes not only to engage in regular dialogue with its suppliers, customers, employees and local communities, but also to contribute, at its own level, to the adoption of more responsible practices (e.g. raising awareness among its customers, supporting and transforming its suppliers' practices, etc.).

Hermès regularly assesses its products and services to ensure that they are consistent with its sustainability objectives. Sustainability, the quality of the raw materials used and the quality of the savoir-faire are intrinsic characteristics of Hermès' products. This assessment includes, for example:

#### Products and objects:

- ◆ an analysis of the environmental impact of the raw materials used (for example: leather, cashmere, silk, cotton, precious metals);
- ◆ management of the environmental footprint throughout the product life cycle;
- ◆ the implementation of eco-circular manufacturing practices whenever possible (including reuse and recycling);
- ◆ limitation of unnecessary single-use plastics (particularly in product packaging and for packing items).

#### Significant markets and customer groups:

- ◆ a range of products that can be based on a circular approach (for example, petit h, upcycled leather goods or ready-to-wear items, packaging for perfume and beauty products);
- ◆ an after-sales service and repair service at each point of sale, and monitoring of the number of repair operations in various markets;
- ◆ raising customer awareness of sustainable consumption practices by training sales associates in sustainable development issues.

1. Data established on the basis of dates provided for the beginning of commercial relations according to the declarations of the relevant buyers, based on their knowledge.

### House strategy and sustainability matters

Backed by a history shaped by six generations, Hermès evolves with the times while always respecting tradition, transmission and innovation. Thus, true to its values of freedom, demanding savoir-faire and authenticity, the House of Hermès business model includes several strategic pillars focused on sustainability issues:

- ◆ women and men committed to a “family spirit”: craftsmanship values and high standards drive employees at Hermès, which undertakes ambitious social programmes to guarantee the sustainability and transmission of the savoir-faire essential to the creation of its objects;
- ◆ exceptional and sustainable materials: the House's emblematic objects are made from raw materials, mainly of natural origin. Hermès limits its use of virgin raw materials by promoting their frugal use. It sources resources whose origin is controlled and certified, and even by participating directly in the creation of social and environmental “best practices” in certain sectors (e.g. participation in the construction of the SAOBC standard<sup>(1)</sup> in the ostrich sector);
- ◆ craftsmanship production and a moderate and controlled environmental impact: Hermès is one of the lowest greenhouse gas emitters in the CAC 40<sup>(2)</sup> and is committed to reducing its carbon footprint (SBTi reduction trajectory) and to even more rigorous management of water and waste resources;
- ◆ a balanced and long-term relationship with its supply chain: thanks to long-standing relationships - some of which are more than 60 years old - Hermès exercises its duty of care with regard to the social, ethical and environmental practices of its partners. It supports and promotes changes in practices in order to prevent harm to the environment and fundamental freedoms;
- ◆ a strong local footprint, particularly in France: France is the heart of the Group's production, source of 74% of its production, and location of its 60 production sites.

### Main challenges ahead

- ◆ **Climate change adaptation:** adapting to the consequences of climate change remains a major challenge. Hermès is working on plans to adapt its direct operations and those in its value chain to the major transitions brought about by the climate issue and by the physical hazards already observable, by integrating resilient and sustainable practices.
- ◆ **Measurement and restoration of biodiversity:** due to its strong relationship with materials of natural origin, Hermès is committed to the SBTN (Science-Based Targets for nature) organisation in order to better understand its impacts on nature, with the aim of participating in preservation projects and to improve practices. In addition, restoration and renaturing projects aim to prepare, in the long term, so-called “nature-positive” operations with a positive net impact on biodiversity.
- ◆ **Transition to a circular economy:** Hermès is committed to a more circular manufacturing model, where material resources will be reused and waste minimised. This transition requires investments in new technologies and gradual changes in production methods, to maintain the exceptional quality expected by its customers.

### Examples of projects and solutions

- ◆ **Mitigation of the carbon emissions of Hermès and its value chain:** initiatives include investments in projects to implement regenerative agricultural practices in the upstream value chain thus making systems more resilient, in addition to those described in § 2.1.2.1.2
- ◆ **Environmental information, labelling and raising customer awareness:** driven by the requirements of the French AGEC law, the gradual rollout of environmental labelling makes it possible to inform consumers and stakeholders of the environmental footprint of Hermès objects. Firstly, it commits the House to better understanding its impacts, but through transparency and awareness-raising, it also informs customers.

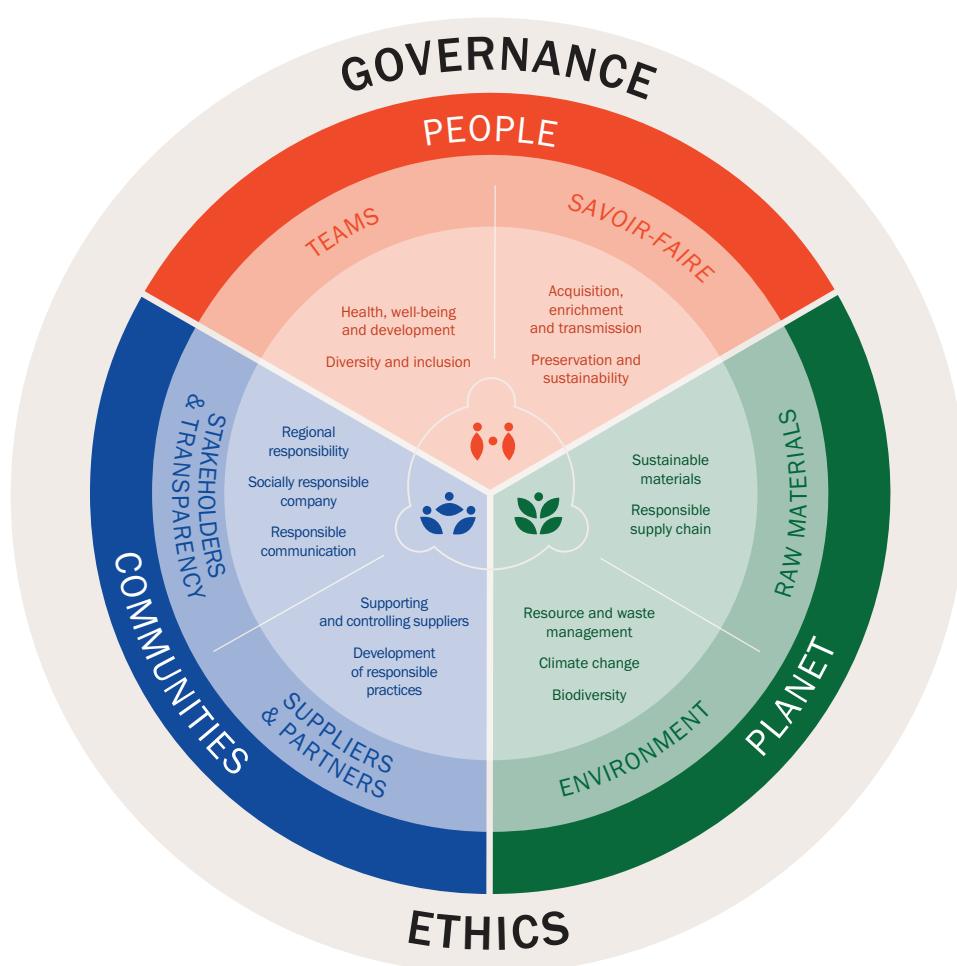
1. *South African Ostrich Business Chamber.*

2. *According to public data, emissions reports of CAC 40 companies in 2023.*

#### 2.1.1.5.2 Sustainable development and value chain strategic framework (SMB-1)

In 2015, Hermès developed a strategic framework to address the social, environmental and societal issues identified. For nearly a decade, this framework has structured its sustainable development actions around three axes and six pillars (see figure below).

This framework is based on a premise: "**all artisans of sustainable development**". It constitutes the sustainable development reference framework applicable to all Group employees and entities. This strategic framework is based on appropriation and implementation of topics at a collective level, a key factor in its sustainability.



The results obtained annually through the rollout of this approach are presented in the Group roadmap in § 2.1.1.6.

## A SUSTAINABLE INTEGRATED VALUE-CREATING FRENCH CRAFTSMANSHIP MODEL

### CAPITAL AND RESOURCES

Limited natural resources  
and adaptation to climate change

### VALUE CREATION AND SHARING

Circular economy regulations  
and innovations

### VALUE CREATION AND SHARING

#### **Committed workforce**

25,185 employees of whom 15,556 in France:  
46% in production, 39% in sales,  
and 15% in support

7,12% employees with disabilities  
in France in 2023  
Gender equality index: 92/100 (France)

#### **Exceptional savoir-faire**

10 Écoles Hermès des Savoir-Faire  
(EHSF) in France  
Average relationship length of 19 years  
with top 50 direct suppliers

#### **Long-term partners**

Controlled water withdrawal,  
decoupled from the Group's growth

97.9% renewable electricity  
used in the jewellery workshops

100% non-mined gold and silver  
Raw materials used with care  
and responsibility

#### **Natural resources and responsible materials**

More than 90 animal & vegetal  
supply chains

Controlled water withdrawal,  
decoupled from the Group's growth

97.9% renewable electricity  
used in the jewellery workshops

Raw materials used with care  
and responsibility

#### **Local involvement**

Strong local presence: regional  
craftsmanship presence and exclusive  
stores in 11 out of 13 French regions

60 production and training sites  
in France

#### **Financial independence**

Shareholder stability: 66.7% of the share  
capital held by the Hermès family group

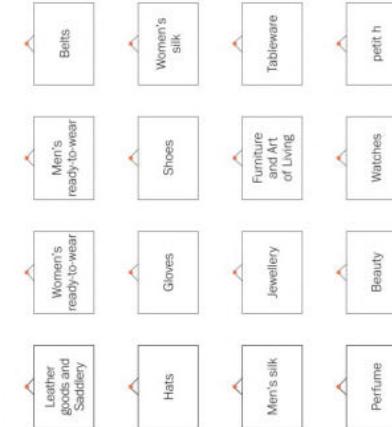
€3.8 billion adjusted free cash flow

€17.3 billion in equity  
€12.0 billion in restated  
net cash position



An independent creative house since 1837,  
guided by the skills of the craftspeople

### 16 métiers



### REPAIRS AND END OF CYCLE OF OBJECTS

**Long-lasting objects**  
More than 200,000  
after-sales service  
actions

### DESIGN/CREATION

**A house of creation**  
Eco-design (materials  
and savoir-faire)  
Emblematic and timeless  
creations, passed down  
through generations

### TRANSMISSION AND longevitY of savoir-faire

**Exceptional raw materials**  
55% of direct exceptional  
raw materials made in France  
and 97% in Europe

### MATERIAL PURCHASING

**Exceptional raw materials**  
55% of direct exceptional  
raw materials made in France  
and 97% in Europe

### PRODUCTION

**Craftsmanship  
manufacturing model  
on a human scale**  
Exceptional savoir-faire

### SUPPORT FOR OUR PARTNERS

**Support towards reaching the highest  
standards**  
Payment terms of 27 days on average  
in France

### Reduction of a moderate environmental footprint

**Decrease of 63.7% in scopes 1 and 2  
emissions in absolute value and 50.5%  
in scope 3. In intensity since 2018  
65.4% reduction in water withdrawals  
in intensity in the last 10 years  
Adoption of the SBTN approach  
throughout the Group to limit pressure  
on nature  
Pursuit of certification and label awards  
to the highest standards in supply chains**

### SOCIETAL VALUE

**28.7% consolidated tax rate  
2,300 jobs created including  
1,300 in France**

### Financial value

**€14.2 billion consolidated revenue  
€24.8 billion market capitalisation  
at end-2024  
€2.7 billion total dividends paid  
to shareholders  
€1.1 billion in operating investments**

### Strong vertical integration

**55% of objects made in exclusive and in-house workshops –  
74% of production is in France – Securing value chains**

### Purchasing freedom

**Main markets:**  
(in consolidated revenue mix)  
Asia-Pacific (excl. Japan) 44%  
Americas 19% – Europe (excl. France) 14%  
France 10% – Japan 9%

### Creative freedom

**More than 50,000 references produced  
Constant creative renewal  
Material and process innovations  
Unique and responsible communication**

### Unique heritages: creation, materials, savoir-faire and retail

**A humanist approach to employee management. A rich selection  
of useful and long-lasting objects. A loyal and local customer base.**

**VALUE CHAIN (TAKEN FROM THE 2024 VIGILANCE PLAN, DATA AT END-2024)**

Hermès stands out on account of a highly integrated upstream and downstream value chain. The Group continues its efforts to ensure the traceability and transparency of its sources of supply by working closely with a large network of direct (raw materials) and indirect

(other goods and services) suppliers. Details of the production, manufacturing and distribution operations managed by the Group are set out in chapter 1 “Presentation of the Group and its results”, § 1.4.

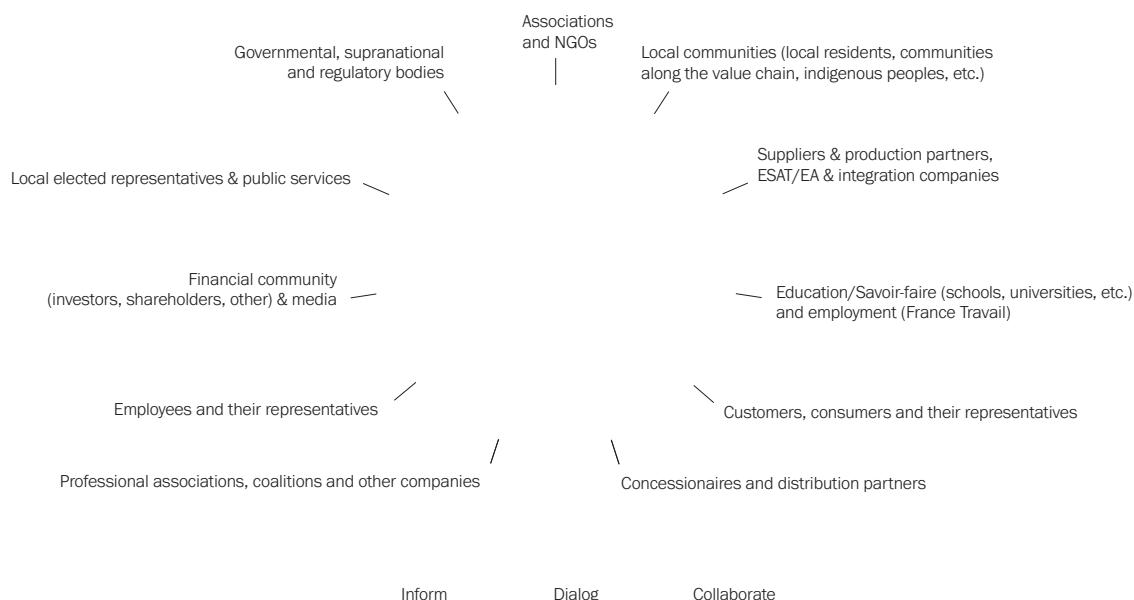
### HERMÈS VALUE CHAIN



#### 2.1.1.5.3 Interests and views of stakeholders (SBM-2)

The Group's interactions with its stakeholders are rich, diversified and take many forms. The following matrix illustrates the various

stakeholders with which the Group interacts in its value chain and the associated communication methods:



All of these stakeholders are included in the Company's due diligence and materiality assessment processes (IRO 2 - SBM3).

The table below summarises the main forms of exchange and dialogue undertaken with each of these stakeholders:

Affected communities	Inform	Dialogue	Collaborate
Employees and their representatives	Communication to employees	Manager/employee interviews Hermès Hears survey	Staff representation bodies
Education/Savoir-faire (schools, universities, etc.) and employment (France Travail)	Information conferences	Participation in student fairs and events	Creation of professional training courses in craftsmanship métiers Funding of scholarships Funding of university chairs Academic research projects (Sciences Po) Collaborative projects to promote local employment (École des Savoir-Faire/ France Travail) Interventions and participation in professional and university training courses
Suppliers & production partners, sheltered work establishments & integration companies	Communication of the Group's commitments to company representatives  Internal network of Disability Ambassadors	Supplier assessment and audits  Discussions with stock market groups and sector initiatives  Joint contracting agreements with sheltered work establishment <sup>(1)</sup> , off-site assignments	Quality support, product co-development CSR training actions Supply chain certification programme Social and environmental value-added purchases from SMEs (ESS, EA/ESAT, ZRR, QPR)
Local elected representatives & public services	Meeting and welcoming of elected representatives	Local integration projects	Co-reflection on local projects (mobility, local employment, local economy, etc.)
Professional associations, coalitions and other companies	Detailing the Group's sector-specific characteristics	Monitoring of market discussions	Participation in studies, surveys and working groups (Afeo, Medef, Interprofession des métiers, etc.)
Governmental, supranational and regulatory bodies		Dialogue at Global Compact France events (United Nations)	Participation in SBTN (Science Based Targets Network) initiatives
Customers, consumers and their representatives	Website and social networks  "Empreintes sur le Monde" (Footsteps across the World) films  Le Monde d'Hermès magazine	In-store interaction with sales associates  "Hermès in the Making" event  Open days  Site visits	Links with the CRC (Customer Relations Centre) to improve the safety of Hermès products in the event that a quality defect is identified
Concessionaires and distribution partners	Monthly meeting with all concessionaires	Raising awareness of the Group's regulations and commitments	Participation in internal purchasing days (Podiums)
Local communities (local residents, communities along the value chain, indigenous peoples, etc.)		Real estate location projects	Projects with local stakeholders (e.g. recovery of condensation water from neighbouring cane sugar farms in Australia, see § 2.1.2.3.4)
Associations and NGOs	Internal WWF France conferences	NGO surveys	Co-development of projects (Water Risk Filter, WWF, GBS, see § 2.1.2.4)
Financial community (Investors, shareholders, other) & media	Press releases and letters to shareholders  Investors section of the Hermès Finance website  Non-financial publications and Group policies on the Hermès finance website  Legal publications	General Meeting  Dialogue with shareholders  Roadshows  Dialogue with non-financial rating agencies  Investor meetings  Store events and meetings with institutions	Double materiality analysis

2

1. EA: adapted company; ESAT: sheltered work establishment.

The Group maintains balanced relationships with its stakeholders. They are particularly involved in the context of the development of joint projects benefiting both the Company and its communities (*i.e.* regional mobility plans, university chairs with academic bodies, supplier decarbonisation plans, etc.). Whenever necessary, the conclusions of this ongoing dialogue with the Group's stakeholders are shared with the governance bodies.

Creative and commercial freedom, a value at the heart of the Group's strategy, guides Hermès' business model. Hermès is deeply committed to dialogue with its stakeholders and has remained an independent creative house since 1837. To preserve its identity, these inherent values determine the choices and orientations of its business model.

Thus, several areas of its strategy demonstrate this virtuous balance which favours the interests of its stakeholders:

- ◆ developing a carbon emission reduction trajectory for emissions generated by its activities;
- ◆ maintaining its craftsmanship production primarily in France, and supporting local employment in regions where it is located;
- ◆ cultivating close relationships with suppliers, helping them in their development and improving management of social and environmental issues in the value chain.

#### **Company workforce (S1 linked to ESRS 2 SBM-2)**

A responsible family business, true to its humanist values, Hermès offers its employees a collective and human-centered project. As part of its strategy and business model, Hermès pays particular attention to dialogue with its employees (the term employee here refers to the Company's employees, and excludes non-salaried staff). Employees are key stakeholders in the Group's strategy. Hermès strives to maintain local dialogue at all levels, a fundamental element of the Group's oral culture, through the sharing of top-down information and the opportunity for each employee to express their point of view and share their ideas. These opportunities for dialogue, described in § 2.1.3.1.4 and below, inform and enlighten the House's strategy.

As indicated in § 2.1.3.1.4, formal interviews between employees and managers (annual interview, mid-year interview) are an opportunity for a structured dialogue that is complementary to the existing local managerial relationship, thus allowing an adaptation of development pathways to the needs of employees.

Thanks to the Hermès Hears survey, conducted every two years, Group employees directly assess their well-being and the quality of their working conditions. This feedback not only identifies areas in which Hermès could make improvements, but also helps in maintaining and reinforcing what is working. Strategies may be adjusted accordingly. In France, employee representatives are involved in the process via the Social and Economic Committees.

In accordance with regulations and as part of the Group's ethics approach, a mechanism for reporting incidents and complaints (H-Alert!) completes the system.

Human resources governance makes it possible to integrate employee feedback into the social strategy thanks to an HR Council composed of four representatives of the Company's different divisions - upstream, métiers, Retail and support - as well as representatives of the Group's human resources department.

In France, engagement with the Company's own workers and their representatives revolves around:

- ◆ an annual day, the "H-Day", which takes place with all employee representatives and includes time for training, inspiration, information and dialogue;
- ◆ a committee for monitoring dialogue with Hermès' employees, composed of union representatives on the Group Works Council and management representatives, and which provides an opportunity to take stock of dialogue with Hermès' employees;
- ◆ the Group Works Council, which brings together employee representatives and general management representatives once a year. This meeting is an opportunity to draw up an overall assessment of the past year (social, industrial and financial assessment) and to present the outlook for the coming year, while reaffirming the House's strategic vision.

In all countries where Hermès operates, formalised procedures are followed, in accordance with local practices. For example, in the United States monthly Employee Resource Groups are organised, while in Spain, surveys relating to the social climate take place every two months.

#### **Value chain workers (S2 related to ESRS 2 SBM-2)**

Listening to the expectations of workers in the value chain is at the heart of the process of supporting Hermès' suppliers towards more responsible practices. Such an approach enables Hermès to adapt its control practices by focusing on the highest priority issues (safe and pleasant working conditions, decent compensation, etc.). The H-Alert! ethics whistleblowing system is accessible to all workers in the value chain, and makes it possible to prevent and identify possible situations detrimental to respect for human rights identified directly by the employees of its partner companies. In addition, a more direct dialogue with workers in the Group's value chain can take place through interviews during field audits. More information is available in § 2.1.3.2.4.

Collecting and listening to the point of view of workers in the value chain therefore has a direct influence on the Group's sourcing strategy and practices. If practices are identified where these workers are at risk, Hermès initially seeks to support suppliers in resolving any problems identified, however if necessary, it may decide to suspend its supplies in the supply chain concerned, thus modifying its value chain, or even its product offering.

#### Affected communities (S3 related to ESRS 2 SBM-2)

Dialogue with the local communities neighbouring Hermès' sites and activities is mainly carried out through their representatives (public authorities, elected representatives, associations, representatives of indigenous communities). It focuses in particular on the challenges of employment, environmental protection, skills development, mobility, the provision of essential services (local shops, associations, etc.) and economic development. These methods of dialogue are detailed in § 2.1.3.3.4.

The Group's local presence strategy, which is at the heart of its business model, is based on this dialogue with local stakeholders. Hermès constantly adapts the solutions and initiatives it develops (training courses, École des Savoir-Faire, biodiversity projects, etc.) through sustained dialogue with the communities affected by its activities.

#### Consumers and end-users (S4 linked to ESRS 2 SBM-2)

The Hermès Group pays particular attention to any concerns and expectations of its customers. In this respect, the direct relationship between the customer and the sales associates is often a preferred channel. Although mainly intended for product quality and customer experience, the dedicated consumer telephone service can also make it possible to capture more specific expectations related to the safety of products and objects, in order to improve the customer experience, as well as the characteristics of the products and services offered by the Group when necessary (see chapter 1 "Presentation of the group and its results", § 1.4. for the description of the Group's activities).

Details of the mechanisms for customer dialogue and feedback are presented in § 2.1.3.4.4.

2

#### 2.1.1.6 PROCESS FOR IDENTIFYING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES (IRO-1) AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL (SBM-3)

##### Impact, risk and opportunity management

###### Description of the procedures to identify and assess material impacts, risks and opportunities (IRO-1)

As required by the CSRD directive, Hermès has undertaken its first double materiality analysis, making it possible to identify the priority material impacts, risks and opportunities (IRO) for the Company, according to its business model and specificities.

This work was carried out with the assistance of a leading consultancy firm, in particular to ensure the proper interpretation of the texts for this first financial year.

The governance set up for the Group's first double materiality analysis is summarised in the table below:

#### THE VARIOUS GOVERNANCE BODIES OF THE PROJECT AND THEIR ROLE IN THE EXERCISE OF DOUBLE MATERIALITY

Bodies	Role and activities
Steering Committee (representing the sustainable development, finance, audit and risk management and compliance departments)	<ul style="list-style-type: none"> <li>◆ Project governance oversight</li> <li>◆ Validation of methodological choices as they arise</li> <li>◆ Validation of the preliminary results of the analysis</li> <li>◆ Validation of the final results of the analysis</li> </ul>
Project Committee (members of the Steering Committee accompanied by functional departments: human resources, industrial, legal, etc.)	<ul style="list-style-type: none"> <li>◆ Co-construction of methodologies and validation of the main results at each stage of the mission</li> <li>◆ Organisation of working meetings and project monitoring points with key contributors</li> <li>◆ Facilitation of rating workshops with internal stakeholders</li> <li>◆ Organisation of internal sessions to review the consistency of results at the various stages</li> </ul>
Hermès internal stakeholders	<ul style="list-style-type: none"> <li>◆ Participation in IRO rating workshops, organized by major métier expertise.</li> </ul>
Governance body (Executive Management assisted by its Executive Committee/ Supervisory Board)	<ul style="list-style-type: none"> <li>◆ Validation of the results by the Executive Management and its Executive Committee in November 2024</li> <li>◆ Review and control of the results by the Audit and Risk and CAG-CSR Committees, then report to the Supervisory Board in January 2025</li> </ul>

##### 2.1.1.6.1 Double materiality analysis: methodology

After delineation of the scope (see § 2.1.1.1 - mapping of stakeholders, identification of the value chain, etc.), the double materiality exercise was carried out according to the following methodology:

1. step 1: identification of ESG issues based on the CSRD, as well as, where appropriate, issues specific to Hermès and breakdown into impacts, risks and opportunities (IRO);

2. step 2: assessment of the materiality of the IROs, i.e. their materiality given the Group's activities (rating exercise);

3. step 3: consolidation and validation of the results of the double materiality analysis to identify the Hermès Group's reporting obligations.

This work was carried out with the assistance of a leading consultancy firm, in particular to ensure the proper interpretation of the texts for this first financial year.

### Identification of relevant issues

Step 1 consisted in identifying sustainability issues based on:

1. topics previously identified by the Group;
2. information specific to the Group's various activities;
3. the Group's business model and value chain; and
4. sustainability topics, sub-topics and sub-sub-topics listed by the ESRS (AR 16).

It should be noted that this identification phase led to exclusion of the following topics and sub-topics, considered as not relevant for Hermès with regard to its business model. As a result, no IROs were extracted from the following themes:

Pillar	Topic	ESRS
Environment	Water discharges in the oceans	E3
	Habitat degradation and intensity of pressure on marine resources	E3
Social	Communities' civil and political rights	S3
Governance	Political commitment	G1

### Identification of impacts, risks and opportunities

Impacts, risks and opportunities were identified using a top-down approach, which adds "Group" IROs to IROs that may only concern certain métiers or very specific sectors. The Company's entire value chain was taken into account in the approach to identifying IROs.

The list of impacts, risks and opportunities was drawn up by capitalising on the existing situation. It is based on the mapping of the Group's major risks, on the mapping of stakeholders, as well as the list of ESG issues from the latest Non-Financial Performance Statement (NFPS).

In order to separate ESG issues into impacts, risks and opportunities, several areas were examined:

- ◆ For ESG risks and opportunities, the areas examined include regulation, employees, customers, transition costs and business continuity;
- ◆ For impacts, the areas are human rights, health and safety, the environment and socio-economic impacts.

### 2.1.1.6.2 IRO materiality assessment

#### Stakeholder identification and mobilisation

##### IDENTIFICATION OF KEY STAKEHOLDERS

After defining the priority ESG issues for the Group as well as the associated IROs, Hermès consulted the main stakeholders in order to discuss the rating of these issues in terms of impacts, risks and opportunities.

##### STAKEHOLDER ENGAGEMENT AND CONSULTATION

The assessment of the materiality of the IROs is based on dialogue with stakeholders. In this regard, several groups of key internal contributors were identified and interviewed in scoring workshops.

A panel of external stakeholders was consulted on the results of the analysis. Thus, between June and September 2024, more than 40 of the Group's external stakeholders rated the major sustainability matters through an online survey. The results collected and then weighted supplemented the internal assessment results.

### LIST OF STAKEHOLDERS INVOLVED

#### Internal stakeholders - Métiers

- ◆ Director of Human Resources
- ◆ Chief Financial Officer
- ◆ Sustainable development department
- ◆ Legal department
- ◆ Direction of industrial affairs
- ◆ Procurement department
- ◆ Audit and risk management department
- ◆ Real estate department

#### External stakeholders

- ◆ Customers and end users
- ◆ Employees
- ◆ Suppliers and workers in the value chain
- ◆ Local communities
- ◆ Social partners
- ◆ Associations and NGOs
- ◆ Shareholders and investors

### Listing organisation

#### FINANCIAL MATERIALITY RATING METHODOLOGY

##### Assessment of financial materiality of risks and opportunities

As indicated in ESRS 1, the financial materiality of the risks and opportunities was assessed according to two regulatory criteria:

- ◆ **potential magnitude:** magnitude of the financial effects of risks and opportunities related in particular to natural, intellectual (organisational), human, social and relationship capitals on the undertaking's financial statements;

- ◆ **the likelihood** that these risks and opportunities may occur in the short, medium or long term.

##### Rating scales

Quantitative thresholds were defined depending on the impacts, including cash flows, access to capital and its cost. This work aims to define the potential scale of the financial impact. The risk scales are identical to those used by the audit and risk management department to map the Group's operational risks.

#### **Materiality threshold**

The financial materiality threshold for risks and opportunities was set by the Project Committee at “strictly greater than 2.5” on a scale of 1 to 4, with 1 representing moderate financial materiality and 4 representing significant financial materiality. This threshold was approved by the Internal Steering Committee, due to its relevance in relation to:

- ◆ consistency with the Group’s CSR strategy, in particular previous materiality analysis exercises;
- ◆ the expectations of the Group’s stakeholders.

The analysis carried out, in accordance with the recommendations of the Project Committee, stands out for its objectivity and its prudent approach. It demonstrates the financial strength and sustainability of the business model, with a limited number of IROs having significant financial materiality.

#### **IMPACT MATERIALITY RATING METHODOLOGY**

##### **Impact materiality assessment criteria for negative impacts**

As indicated in ESRS 1 Annex 3.4, the materiality of negative impacts is assessed according to two criteria:

- ◆ the severity is determined based on the following factors:
  - the scale of the negative impacts on people or the environment,
  - the scope of negative impacts on the environment and people,
  - the irremediable character (concerns only negative impacts);
- ◆ the likelihood, with short-, medium- and long-term time horizons (similar to financial materiality). It should be noted that likelihood only applies in the event of a potential impact.

##### **Impact materiality assessment criteria for positive impacts**

The rating of positive impacts is based on the same calculation since their severity (or “scale”) and likelihood of occurrence are considered.

The severity score is obtained by taking the higher of the two scores: severity or scope. The irremediable character criterion is no longer taken into f positive impacts.

##### **Structuring assumptions specific to impact materiality**

Hermès has structured its impact rating methodology according to the following two principles:

- ◆ **impact rating adopts a maximisation approach.** Regulations recommend considering all possibilities and favouring the “scenario” that leads to the maximum IRO score, in order to ensure the comprehensiveness of the list of material topics. However, it is crucial to remain in a realistic scenario;
- ◆ **the human rights impact rating:** only the rating awarded to severity is taken into account in the assessment of these impacts. The rating assigned to the likelihood of occurrence is not taken into account in the case of either positive or negative human rights impacts.

#### **Materiality threshold**

Like financial materiality, the impact materiality threshold was set by the Project Committee at “strictly greater than 2.5” on a scale of 1 to 4, with 1 representing a moderate impact and 4 a major impact. This threshold was approved by the Internal Steering Committee, due to its relevance in relation to:

- ◆ consistency with the Group’s CSR strategy, in particular previous materiality analysis exercises;
- ◆ the expectations of the Group’s stakeholders.

The impact materiality threshold is aligned with the financial materiality threshold to ensure consistency in the analysis. This consistency between the materiality thresholds ensures exhaustive consideration of the main issues and improved clarity for the results.

The materiality thresholds may be updated by the Group each time the double materiality exercise is repeated.

2

#### **SOURCE OF RATINGS CARRIED OUT**

The rating of the various impacts, risks and opportunities was based on the knowledge of the stakeholders interviewed during workshops organised with these various stakeholders. These assessments were supported by sectoral studies specific to the IROs assessed as well as through the risk projection and study exercises previously carried out by the Group.

#### **TIME HORIZON ASSESSMENT**

The thresholds used to assess the time horizon are aligned with the requirements of ESRS 1 (excluding items specific to an ESRS), according to the following methods:

Time horizon	Level	Definition
Short term	1	During the year
Medium term	2	2 to 5 years
Long term	3	More than 5 years
All time horizons (short-, medium- and long-term) <sup>1</sup>	4	Inability to define the time horizon

(1) Not present in ESRS 1, used by Hermès.

#### **RATING SCALE**

The scale used to assess materiality was chosen for general consistency with the practices of the risk department: a scale of 1 to 4.

#### **Frequency of analysis updates**

The Group plans to update the assessment of the relative importance of impacts approximately every two years, barring significant changes (new external factors, change in the organisational structure, etc.).

**2.1.1.6.3 Results analysis (SBM-3)**  
The double materiality exercise highlighted the materiality of 38 IROs. These structure the House's sustainable development policy, in line with the strategic framework previously defined.

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy	Targets		Standard
						Results for 2024	Results for 2024	
<b>PLANET</b>								
1	Impact of the Group's activities on climate change	Negative impact	Direct operations	Medium term	Actual	Environmental policy Transition plan	Monitoring of energy consumption, refrigerant leaks and their GHG emissions Energy sobriety actions, notably through a change in energy consumption habits Improvement of energy efficiency, both for buildings and for industrial processes Phase-out of fossil fuels and the use of electrification and renewable energy Gradual replacement of industrial equipment and equipment in buildings that use fossil fuels with electrical equipment or equipment operating with renewable energy Harmonie responsible real estate standard Technology watch to identify new technologies that could pave the way for new decarbonisation opportunities Creation and implementation of a sustainable standard for the Group's construction and renovation projects	<b>Target scientifically validated by the Science Based Target Initiative:</b> 50.4% GHG emissions in absolute value for scopes 1 and 2 by 2030 compared to the 2018 base year)
2	Impact of the Group's value chain activities on climate change	Negative impact	Upstream and downstream value chain	Short term	Actual	Responsible purchasing policy Supply chain brief CSR brief Transition plan	Raising the awareness of Tier-1 suppliers and partners Cross-sharing of greenhouse gas (GHG) emission reduction ambitions between Hermès and its suppliers Collection of suppliers' GHG assessments Supporting major supply chains for the Group's raw materials Optimisation of transportation Setting up of alternative, less carbon-intensive transport	<b>Target scientifically validated by the Science Based Target Initiative:</b> 58.1% GHG emissions in relative value (per million euros of gross margin) for scope 3 by 2030 compared to the 2018 base year)
3	Impact related to the use of carbon energies in the Group's operations and upstream value chain	Negative impact	Upstream value chain and direct operations	Short term	Actual	Environmental policy Sobriety plan Transition plan Responsible purchasing policy	Monitoring of energy consumption, refrigerant leaks and their GHG emissions Energy sobriety, notably through a change in energy consumption habits Energy efficiency, both for buildings and for industrial processes Gradual replacement of industrial equipment Integration of environmental and carbon criteria in the selection of partners Supporting the Group's value chain to develop low-carbon solutions	<b>Target scientifically validated by the Science Based Target Initiative:</b> 100% renewable electricity by the end of 2025 and 100% renewable energy by 2030
4	Hermès' contribution to climate change mitigation within its value chain	Positive impact	Upstream value chain	Medium term		Responsible purchasing policy Supply chain brief CSR brief Transition plan	71% renewable energy for the entire Group Increase in the number of suppliers supported in carrying out their carbon assessments. Evaluation of transport suppliers with the EcoVadis platform.	<b>Target scientifically validated by the Science Based Target Initiative:</b> Increase in the number of suppliers supported in carrying out their carbon assessments. Evaluation of transport suppliers with the EcoVadis platform.

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy	Targets	Results for 2024	
							Hermès actions	Standard
5 Risk related to the impacts of climate change on the Group's raw materials	Risk	Upstream value chain	Long term	Potential	Responsible purchasing policy Supply chain brief CSR brief		Climate risk analysis carried out on the Group's French sites. Launch of an analysis on the Group's main sites and international flows.	E1
6 Impact of aquatic pollutants from the Group's operations on workers' health and safety	Negative impact	Tanneries, Textiles, Crystal works, Metals, Farms	Short term	Potential	Environmental policy Health and safety policy Responsible purchasing policy Supply chain brief	Compliance with use of restricted substances Support for suppliers in the management of chemical products Establishment of treatment plants with the best treatment levels and modernisation of existing plants. Reuse of water from farms for plantations and crops, while protecting the soil	20 water discharge treatment units across all of the Group's manufacturing sites 100% of tanner water discharges treated in-house	E2
7 Impact of aquatic pollutants from the Group's operations on the environment	Negative impact	Tanneries, Textiles, Crystal works, Metals, Farms	Short term	Potential		Zero non-compliance instances		E2
8 Impact of pollution of soil due to the Group's activities	Negative impact	Upstream value chain	Short term	Actual		Certifications required in the supply chains	Supply chain certification objectives	E2
9 Contribution to soil protection through support for supply chains	Positive impact	Farms	Long term		Environmental policy Responsible purchasing policy Supply chain brief	Certifications requested in the supply chains	Supply chain certification objectives	E2
10 Impact on the environment from excessive pressure on water resources	Negative impact	Tanneries, Textiles, Farms	Medium term	Potential	Environmental policy Responsible purchasing policy Supply chain brief Supplier code of conduct	Own operations: ♦ monitoring of site exposure to the risk of water stress; ♦ efficiency measures (preventive maintenance, metering, employee awareness, etc.); ♦ actions to recover and reuse water in order to reduce withdrawals (circular water management).	5% reduction in the intensity of water withdrawals per year 65.7% reduction in intensity of water withdrawals for industrial use over the last 10 years CDP A List	E3
11 Impact on local communities from excessive pressure on water resources	Negative impact	Tanneries, Textile métier, farms	Medium term	Potential				E3
12 Contribution to the protection of water resources in the value chain	Positive impact	Upstream value chain	Medium term		Environmental policy Responsible purchasing policy Supply chain brief	Certifications requested in the supply chains	5% reduction in the intensity of water withdrawals per year for own operations Supply chain certification objectives	E3
13 Environmental impact of the Group's non-recovered waste	Negative impact	Direct operations	Medium term	Actual	Environmental policy Circular economy strategic framework	Classification, measurement and monitoring of waste emitted Recycling and recovery actions	Recovery of waste whenever possible	E5
14 Impact of the Group's direct activities on biodiversity and ecosystems	Negative impact	Direct operations	Long term	Actual	Environmental policy Policies related to biodiversity and ecosystems Biodiversity and ecosystem protection policy for operating sites (harmonie real estate standard)	Biodiversity assessment and action plan on production sites (zero phytosanitary products, adapted mowing, treatment of invasive alien species, etc.). New site construction impact study Reconversion of former industrial or brownfield sites	Implement the SBTIN strong sustainability tool Measure the biodiversity footprint using the Global Biodiversity Score approach Establish diagnostics and biodiversity action plans for French production sites	E4

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy	Hermès actions	Targets	Results for 2024	Standard
15 Impact of the Group's value chain activities on biodiversity and ecosystems	Negative impact	Upstream value chain	Medium term	Actual	Polices related to biodiversity and ecosystems Supply chain brief Forest policy	Diagnosis and studies on the impacts of biodiversity on the Group's priority supply chains Preferential use of certified materials Planting action on Australian farms Ensure the resilience of the ostrich sector by combating invasive alien species Fight against deforestation through certification and supply chain analysis	Participate in three biodiversity projects per year Conduct technical and scientific studies on biodiversity Implement the SBTN Measure the biodiversity footprint using the Global Biodiversity Score	SBTN steps 1 & 2 Value chain studies for cashmere and silk in China, led by WWF China and Donghua University in Shanghai Update of supply chain briefs CDP Forests score A Full GBS biodiversity footprint for leather goods hides, wool and wood	E4
16 Impact on species threatened by the Group's activity and its value chain	Negative impact	Direct operations and value chain	Medium term	Actual	Polices related to biodiversity and ecosystems Supply chain brief Forest policy	Preferential use of certified materials Ensure the resilience of the ostrich sector by combating invasive alien species Fight against deforestation through certification and supply chain analysis	Source from supply chains without deforestation Establish diagnostics and biodiversity action plans for French production sites Obtain certification and/or label status for raw materials supply chains	Update of supply chain briefs Start of work to fight against invasive species in the Ostrich supply chain Nearly 90% of wood in Hermès' métiers is certified	E4
17 Impact on land use caused by value chain activities	Negative impact	Upstream value chain	Medium term	Actual	Polices related to biodiversity and ecosystems Supply chain brief Forest policy	Preferential use of certified materials Fight against deforestation through certification and supply chain analysis Diagnosis and studies on the impacts of biodiversity on the Group's priority supply chains	Implement the SBTN Measure the biodiversity footprint using the Global Biodiversity Score Obtain certification and/or label status for raw materials supply chains Source from responsible supply chains without deforestation	Update of supply chain briefs CDP Forests score A Nearly 90% of wood used in Hermès' métiers is certified	E4
18 Risk on the supply of raw materials caused by the degradation of biodiversity	Risk	Upstream value chain	Long term		Polices related to biodiversity and ecosystems Responsible purchasing policy	Field analysis of the supply chains WWF field study on Nature issues Diversity of geographical origins of natural materials Preferential use of certified materials	Participate in three biodiversity projects per year Conduct technical and scientific studies on biodiversity Implement the SBTN strong sustainability tool Measure the biodiversity footprint using the Global Biodiversity Score	Value chain studies for cashmere and silk in China, led by WWF China and Donghua University in Shanghai Full GBS biodiversity footprint for leather goods hides, wool and wood	E4

IR0 title	Nature of IR0	Scope	Time horizon	Potential impacts	Policy	Hermès actions	Targets	Results for 2024	Standard
<b>Materials</b>									
Raw materials									
19 Group contribution to the dissemination of circular economy practices	Positive impact	Emblematic materials of each métiers (leather, cashmere, silk, gold and silver metals) and packaging	Medium term	Actual	Supply chain brief CSR brief Circular economy policy described in the Sustainability report	Improvement of livestock farming practices by participating in various collective initiatives (e.g., the Cuir de Peau Français Responsible (Responsible French Calfskin initiative)) Repairability grids Reuse, recycling and optimised management of production waste (with partners) Packaging circularity and plastic reduction After-sales (repair and extension of the life of objects)	100% recycled gold used in Hermès Bijouterie workshops Recycle 100% of the Group's scraps from French textile manufacturers by 2025 Discontinuation of use of unnecessary single-use plastics by 2030 After-sales service offered to the House's customers in all stores	As part of its after-sales service, the House worked on more than 200,000 products in 2024. Development of the refillable perfume range. 100% non-mining gold used in jewellery.	E5
20 Risk of additional costs related to the circular economy and eco-design	Risk		Medium term		Implementation of life cycle analysis described in the Sustainability report	Aim for zero destruction of textile sources by 2025 Management of unsold stock Research on new materials	Life cycle analyses carried out by all the House's métiers on their emblematic products. 20% reduction in the environmental impact of the original reference cover as part of the Resilied project use of recycled silk threads in the Group's herringbone covers.		E5
<b>Responsible supply chains</b>									
21 Impact of the Group's supplies on natural resources	Negative impact	The Group's emblematic materials (leather, wool, cashmere, silk, metals and precious stones) and packaging	Medium term	Potential	Responsible purchasing policy Supply chain brief CSR brief	Contribution to the sustainability of supply chains Supplier audits Improve knowledge of the supply chains (including studies with partners) Certification Audit protocols Traceability: marking of hides	Maintain more than 95% revenue from certified tanneries by 2030. Implementation of a certification process for supply chains according to the highest standards 100% recycled or GOTS-certified cotton in packaging (herringbone canes, ribbons, garment covers)	70% of leather suppliers are Leather Working Group (LWG)-certified. 100% of the ostrich hide supply comes from SAABC-certified sites. 100% of orange packaging boxes made from recycled cardboard.	E5
22 Impact of the Group's practices and its value chain on animal welfare	Negative impact	Upstream value chain and farms	All time horizons	Actual	Animal welfare policy Supply chain brief Certification	Animal welfare roadmap in place in the Group's animal supply chains	Maintain the alignment of all the Group's suppliers of animal materials with its animal welfare policy	Rollout and monitoring of the animal welfare roadmap in all animal supply chains.	G1
23 Risk of damage to the Group's image related to animal welfare	Risk	Upstream value chain and farms	All time horizons			Animal welfare roadmap in place in the Group's animal supply chains	Maintain the alignment of all the Group's suppliers of animal materials with its animal welfare policy		G1

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy	Hermès actions	Targets		Results for 2024		
							Standard				
<b>PEOPLE</b>											
Teams	Team health, well-being and development	Negative impact	Direct operations	All time horizons	Actual	Health and safety policy	First Group-wide Health and Safety day held	Reduce the occupational injury frequency and severity rates by 50% between 2016 and 2025	Awareness-raising initiatives carried out at several levels internationally		
24	Impact of working conditions on employee health and safety	Negative impact	Direct operations	All time horizons	Potential	Policies currently being drafted	Implementation of a training initiative for the manufacturing métiers worldwide	Frequency rate: 7.8% / severity rate of 0.4	S1		
25	Impact of working conditions on employees' human rights	Negative impact	Direct operations	All time horizons	Potential	Constant monitoring of human rights concerns using the following methods: <ul style="list-style-type: none"><li>◆ talent tools in place (H-Alert);</li><li>◆ tools for monitoring working hours to ensure compliance with local laws;</li><li>◆ a study conducted on the living wage, confirming that Hermès offers a living wage to its employees worldwide;</li><li>◆ the annual update of the vigilance plan;</li><li>◆ training on employment law offered to employee representatives;</li><li>◆ mandatory training on the ethics charter and the anti-corruption code of conduct given to new employees (and to all employees every two years);</li><li>◆ social audits carried out for any potential vertical integration of entities, based on a checklist of social issues with corrective action plans drawn up if necessary;</li><li>◆ annual assessments carried out by the internal control teams of each Hermès entity to ensure compliance on subjects including employment law, with corrective action plans drawn up in the event of areas identified for improvement;</li><li>◆ the local rollout of awareness-raising and training actions to prevent harassment.</li></ul> More specifically concerning working conditions: <ul style="list-style-type: none"><li>◆ the Hermès Hears survey was conducted at Group level in order to establish an inventory of Hermès' strengths and areas for improvement on these topics.</li></ul>	Regularly process the admissibility of H-Alert! (alerts concerning human rights, discrimination, etc.) within a maximum of one month	Draft a Group policy in 2025	Admissibility of H-Alert! reports processed regularly within a maximum of 1 month	Measurement of employee views using the Hermès Hears survey	S1
26	Impact of working conditions on employees' freedom of expression	Negative impact	Direct operations	All time horizons	Potential	Employee dialogue policy currently being drafted	Communication actions around professional elections	Draft a Group policy in 2025	Continue the rollout of the renewal agreement for dialogue with Hermès' employees		
							An annual gathering of management and employee representatives		97% of employees in EEA (EU member countries) covered by collective agreements (100% in France)		

IR0 title	Nature of IR0	Scope	Time horizon	Potential impacts	Policy	Hermès actions	Targets	Results for 2024	Standard
<b>Diversity and Inclusion</b>									
27 Impact of discriminatory practices on employees' human rights	Negative impact	Direct operations	All time horizons	Potential	Vigilance plan, ethics charter, code of conduct, Diversity and Inclusion policy currently being drafted.	The human resources communities, managers and employee representatives attended various training modules. Awareness-raising events are held each year on the theme of inclusion (e.g. the annual Disability Forum brings together all of the House's internal players with time for inspiration, discussion and engagement, or the D&D seminar, with all players involved in the subject of diversity)	Draft a Group policy in 2025	Several training and awareness-raising initiatives conducted for all employees 67.6% women in the House, including 48% in senior management positions.	\$1
<b>Savoir-faire</b>									
28 Contribution to the employability of employees through the development of skills and savoir-faire	Positive impact	Direct operations	All time horizons	Actual	Savoir-faire and skills development policy currently being drafted	Hermès Campus: ◆ the Hermès Sustainability Academy was created; ◆ the integration offer for new employees was made available via my Campus in a multimodal and international format with a virtual classroom on the House for everyone ("Welcome to no. 24") in addition to face-to-face sessions conducted locally and at Group level; ◆ in order to train all store employees on products, new collections and the art of selling, a digital offer was created consisting of two hours of content per month that employees can access freely; ◆ a training programme on Hermès gestures, more specifically in-store sales rituals, was also created and rolled out; ◆ the first level of an in-house Supply Chain course for all employees in the métier has been created; ◆ the content of training offers is continuously being enriched and improved to respond to the development of employee skills and the issues of the House's business model.	Draft a Group policy in 2025	Development of several multi-modal training offers on the subjects of corporate culture, management, expertise and personal development An average of 23 hours of training per employee trained 10 Ecoles Hermès des Savoir-Faire (EHSF) with nearly 700 learners accompanied in the year	\$1
29 Opportunity to improve performance through talent, savoir-faire and skills management	Opportunity	Direct operations	All time horizons			École Hermès des Savoir-faire (EHSF): ◆ several new schools were opened in France, for a total of 10; ◆ the EHSF courses have been extended to an 18-month format, in order to allow craftspeople to be monitored over the long term, until they become independent; ◆ the professional aptitude certificate (CAP) has been revised and implemented; ◆ Hermès took part in a content renewal proposal for the certificates of professional qualification (CQP) of inter-industry local trainer & manager so that they comply with current industry expectations; ◆ the validation of acquired experience ("VAE") was introduced; ◆ several new cutter and stitcher courses (COP) were created; ◆ the quality approval (Qualiph) of EHSF was renewed.			\$1

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy	Hermès actions		Targets	Results for 2024
						Standard			
<b>COMMUNITIES</b>									
<b>Suppliers and partners</b>									
<b>Supporting and auditing suppliers</b>									
30 Impact on the human rights of workers in the value chain	Negative impact	Upstream value chain	All time horizons	Potential	Responsible purchasing policy	Risk mapping followed by regular assessment procedures:	Direct purchasing suppliers; maintain work to audit its direct suppliers	More than 200 suppliers audited	S2
31 Impact on the health and safety of workers in the value chain	Negative impact	Upstream value chain	All time horizons	Potential	Supplier code of conduct Supply chain and CSR brief	◆ Supplier information questionnaire; pre-referencing visit.	791 suppliers assessed		S2
					Ethics charter Vigilance plan	CSR self-assessment Direct purchases: Tier 1 and Tier 2 audits Indirect purchases: use of the EcoVadis platform Training and management of internal networks This commitment is formalised by the signing of the Supplier code of conduct	Indirect purchasing suppliers; continue supplier assessments via the EcoVadis tool by maintaining assessment coverage at more than 70% of the volume of indirect purchases		
32 Contribution to the sustainable approach of the Group's suppliers	Positive impact	Upstream value chain	All time horizons	Actual	Vigilance plan Responsible purchasing policy	Training of suppliers, in particular on their carbon strategy and the measurement of their carbon footprint			S2, G1
33 Opportunity stemming from the Group's long-term partnerships with its suppliers	Opportunity	Upstream value chain	All time horizons			Supply chain certification programme			S2, G1
<b>Stakeholders and transparency</b>									
<b>Regional responsibility</b>									
34 Impact of the Group's activities on local communities	Negative impact	Communities located along the value chain of the undertaking, for example those affected by the supply of raw materials	Short term	Potential	Supply chain brief CSR brief Vigilance plan Stakeholder dialogue policy (under construction)	Local residents; impact analysis when setting up new sites; implementation of the Harmonie standard; local projects relating to employment, mobility or biodiversity; site visits;	Awaiting the conclusions of the regional footprint study in France	Opening of the Maroquinerie de Riom on a brownfield site, enabling the creation of local jobs	
35 Contribution of the Group's activities to regions and local communities	Positive impact	Local residents and residents of the regions where the Company operates Indigenous peoples	Short term	Actual		◆ professional training courses in craftsmanship métiers (e.g. École Hermès des Savoir Faire). Communities along the upstream value chain; supplier assessments and audits; ◆ Quality & Environmental support (supplier carbon footprint); indigenous peoples; ◆ projects with local stakeholders (e.g. collaboration with aboriginal people in Australia).	Awaiting the conclusions of the regional footprint study in France	Nearly 700 learners accompanied via the Ecole Hermès des Savoir Faire (EHSF) 20,000 trees planted in Seine Saint-Denis	

IR0 title	Nature of IR0	Scope	Time horizon	Potential impacts	Policy	Hermès actions	Targets	Results for 2024	Standard
<b>ETHICS AND COMPLIANCE</b>									
36 Impact of inappropriate use of personal data	Negative impact	All customers	Short term	Potential	Ethics charter Code of conduct Compliance with data protection laws (including the General Data Protection Regulation) ISP procedure (Integration of security and privacy in projects)	Employee data protection training Monitoring of regulations in the event of inappropriate use of data	Remain below the legal obligation in terms of managing rights, which is 30 days according to the GDPR	No sanctions relating to inappropriate processing of the personal data of the Group's customers	\$4
37 Impact of the Group's products on customer health and safety	Negative impact	Perfume/Beauty customers	All time horizons	Potential	Compliance with the European cosmetics regulation Formation charter H Alert! procedure	Cosmetovigilance procedure Accessibility of whistleblowing mechanisms for customers	No target defined	No reports relating to the health and safety of Hermès cosmetics and perfumes	\$4
38 Risk related to controversies over unethical or non-compliant practices	Risk	Direct operations and value chain	Short term	Vigilance plan Responsible purchasing policy Supplier code of conduct Ethics charter	H Alert! Employee training Updating of corruption risk mapping	Processing of 100% of alerts received within a reasonable timeframe	No convictions relating to corruption Rollout of new supplier code of conduct	G1	

The solidity and resilience of Hermès' business model as well as the agility of its strategy (see § 2.1.1.5.1) enable the Group to address the issues identified as material. In particular, with regard to risks and opportunities, the current financial effects do not have a very significant impact on financial performance or cash flows.

#### 2.1.1.7 DISCLOSURE REQUIREMENTS COVERED BY THE CORPORATE SUSTAINABILITY REPORT (IRO-2)

<b>Disclosure Requirement and related datapoint</b>	<b>SFDR reference</b>	<b>Pillar 3 reference</b>	<b>Benchmark regulation reference</b>	<b>EU climate law reference</b>	<b>Section/Page</b>
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		2.1.2.2
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		2.1.1.2
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				2.1.1.3
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6), Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		2.1.1.5.1
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		2.1.1.5.1
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II		2.1.1.5.1
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		2.1.1.5.1
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119 Article 2(1)	2.1.2.1.2

<b>Disclosure Requirement and related datapoint</b>	<b>SFDR reference</b>	<b>Pillar 3 reference</b>	<b>Benchmark regulation reference</b>	<b>EU climate law reference</b>	<b>Section/Page</b>
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1) (d) to (g), and Article 12(2)		2.1.2.1.2
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		2.1.2.1.7
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex 1				2.1.2.1.8
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				2.1.2.1.8
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				2.1.2.1.8
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators numbers 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)		2.1.2.1.9
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		2.1.2.1.9

<b>Disclosure Requirement and related datapoint</b>	<b>SfDR reference</b>	<b>Pillar 3 reference</b>	<b>Benchmark regulation reference</b>	<b>EU climate law reference</b>	<b>Section/Page</b>
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119 Article 2(1)	2.1.2.1.10
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		n/a
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)			Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47,		n/a
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).			Template 5: Banking book – Climate change physical risk: exposures subject to physical risk		
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).			Article 449a of Regulation (EU) No 575/2013, Commission Implementing Regulation (EU) 2022/2453, paragraph 34, Template 2: Banking book – Climate change transition risk: loans collateralised by immovable property - energy efficiency of the collateral		n/a
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		n/a
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				2.1.2.2.6
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				2.1.2.3.3
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table #2 of Annex 1				2.1.2.3.3

<b>Disclosure Requirement and related datapoint</b>	<b>SFDR reference</b>	<b>Pillar 3 reference</b>	<b>Benchmark regulation reference</b>	<b>EU climate law reference</b>	<b>Section/Page</b>
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				n/a
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				2.1.2.3.6
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				2.1.2.3.6
ESRS 2- SBM 3 - E4 paragraph 16, (a) i	Indicator number 7 Table #1 of Annex 1				2.1.2.4.2
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				2.1.2.4.2
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				2.1.2.4.2
ESRS E4-2 Sustainable land/agricultural practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				2.1.2.4.3
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				2.1.2.4.3
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				2.1.2.4.3
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				2.1.2.5.8
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				2.1.2.5.8
ESRS 2- SBM3 – S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex 1				2.1.3.1.2
ESRS 2- SBM3 – S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex 1				2.1.3.1.2
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				2.1.3.1.3

<b>Disclosure Requirement and related datapoint</b>	<b>SFDR reference</b>	<b>Pillar 3 reference</b>	<b>Benchmark regulation reference</b>	<b>EU climate law reference</b>	<b>Section/Page</b>
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		2.1.3.1.3
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				2.1.3.1.3
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				2.1.3.1.3
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				2.1.3.1.5
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		2.1.3.1.16
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				2.1.3.1.16
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				2.1.3.1.19
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				2.1.3.2.3
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicators numbers 11 and 4 Table #3 of Annex 1				2.1.3.2.3
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				2.1.3.3.3
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		2.1.3.3.3

<b>Disclosure Requirement and related datapoint</b>	<b>SFDR reference</b>	<b>Pillar 3 reference</b>	<b>Benchmark regulation reference</b>	<b>EU climate law reference</b>	<b>Section/Page</b>
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				2.1.3.3.6
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				2.1.3.4.3
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Article 12(1)		2.1.3.4.3
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				2.1.3.4.6
ESRS G1-1 United Nations Convention against Corruption paragraph 10, (b)	Indicator number 15 Table #3 of Annex 1				2.1.4.1.2
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				2.1.4.1.2
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24, (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		2.4.1.4.4
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24, (b)	Indicator number 16 Table #3 of Annex 1				2.1.4.4

2

Hermès has defined the material information to be published in strict compliance with the recommendations in Annexes C and E of ESRS 1. In particular, these annexes present a decision-making tool for determining the material information on the basis of the material IRO issues.

The list of disclosure requirements that Hermès addresses in its sustainability report is detailed below:

**ESRS DATAPoint CROSS-REFERENCE TABLE**

ID	Name	Section
DR BP-1	General basis for preparation of the sustainability statements	§ 2.1.1.1
DR BP-2	Disclosures in relation to specific circumstances	§ 2.1.1.1
DR GOV-1	Role of the administrative, management and supervisory bodies	§ 2.1.2.2
DR GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	§ 2.1.2.2
DR GOV-3	Integration of sustainability-related performance in incentive schemes	§ 2.1.1.2.5
DR GOV-4	Statement on sustainability due diligence	§ 2.1.1.3
DR GOV-5	Risk management and internal controls over sustainability reporting	§ 2.1.1.4
DR SBM-1	Strategy, business model and value chain	§ 2.1.1.5.1
DR SBM-2	Interests and views of stakeholders	§ 2.1.1.5.3
DR SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model(s)	§ 2.1.1.6
DR IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	§ 2.1.1.6
DR IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statements	§ 2.1.1.7
DR E1-1	Transition plan for climate change mitigation	§ 2.1.2.1.2
DR E1-2	Policies related to climate change mitigation and adaptation	§ 2.1.2.1.5
DR E1-3	Actions and resources in relation to climate change policies	§ 2.1.2.1.6
DR E1-4	Targets related to climate change mitigation and adaptation	§ 2.1.2.1.7
DR E1-5	Energy consumption and mix	§ 2.1.2.1.8
DR E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	§ 2.1.2.1.9
DR E1-7	GHG removals and GHG mitigation projects financed through carbon credits	§ 2.1.2.1.10
DR E1-8	Internal carbon pricing	§ 2.1.2.1.11
DR E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	n/a
DR E2-1	Policies related to pollution	§ 2.1.2.2.3
DR E2-2	Actions and resources related to pollution	§ 2.1.2.2.4
DR E2-3	Targets related to pollution	§ 2.1.2.2.5
DR E2-4	Pollution of air, water and soil	§ 2.1.2.2.6
DR E2-5	Substances of concern and substances of very high concern	§ 2.1.2.2.7
DR E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	n/a
DR E3-1	Policies related to water and marine resources	§ 2.1.2.3.3
DR E3-2	Actions and resources related to water and marine resources	§ 2.1.2.3.4
DR E3-3	Targets related to water and marine resources	§ 2.1.2.3.5
DR E3-4	Water consumption	§ 2.1.2.3.6
DR E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	n/a
DR E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	§ 2.1.2.4.1
DR E4-2	Policies related to biodiversity and ecosystems	§ 2.1.2.4.3
DR E4-3	Actions and resources related to biodiversity and ecosystems	§ 2.1.2.4.4
DR E4-4	Targets related to biodiversity and ecosystems	§ 2.1.2.4.5
DR E4-5	Impact metrics related to biodiversity and ecosystems change	§ 2.1.2.4.6
DR E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	n/a
DR E5-1	Policies related to resource use and circular economy	§ 2.1.2.5.3
DR E5-2	Actions and resources related to resource use and circular economy	§ 2.1.2.5.5
DR E5-3	Targets related to resource use and circular economy	§ 2.1.2.5.6
DR E5-4	Resource inflows	§ 2.1.2.5.7
DR E5-5	Resource outflows	§ 2.1.2.5.8
DR E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	n/a

ID	Name	Section
DR S1-1	Policies related to own workforce	§ 2.1.3.1.3
DR S1-2	Processes for engaging with own workers and workers' representatives about impacts	§ 2.1.3.1.4
DR S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	§ 2.1.3.1.5
DR S1-4	Taking action on material impacts on own workers, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	§ 2.1.3.1.6
DR S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	§ 2.1.3.1.7
DR S1-6	Characteristics of the undertaking's employees	§ 2.1.3.1.8
DR S1-7	Characteristics of non-employee workers in the undertaking's own workforce	§ 2.1.3.1.9
DR S1-8	Collective bargaining coverage and social dialogue	§ 2.1.3.1.10
DR S1-9	Diversity metrics	§ 2.1.3.1.11
DR S1-10	Adequate wages	§ 2.1.3.1.12
DR S1-11	Social protection	§ 2.1.3.1.13
DR S1-12	Persons with disabilities	§ 2.1.3.1.14
DR S1-13	Training and skills development metrics	§ 2.1.3.1.15
DR S1-14	Health and safety metrics	§ 2.1.3.1.16
DR S1-15	Work-life balance metrics	§ 2.1.3.1.17
DR S1-16	Compensation metrics (pay gap and total compensation)	§ 2.1.3.1.18
DR S1-17	Incidents, complaints and severe human rights impacts	§ 2.1.3.1.19
DR S2-1	Policies related to value chain workers	§ 2.1.3.2.3
DR S2-2	Processes for engaging with value chain workers about impacts	§ 2.1.3.2.4
DR S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	§ 2.1.3.2.5
DR S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	§ 2.1.3.2.6
DR S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	§ 2.1.3.2.7
DR S3-1	Policies related to affected communities	§ 2.1.3.3.3
DR S3-2	Processes for engaging with affected communities about impacts	§ 2.1.3.3.4
DR S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	§ 2.1.3.3.5
DR S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	§ 2.1.3.3.6
DR S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	§ 2.1.3.3.7
DR S4-1	Policies related to consumers and end-users	§ 2.1.3.4.3
DR S4-2	Processes for engaging with consumers and end-users about impacts	§ 2.1.3.4.4
DR S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	§ 2.1.3.4.5
DR S4-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions and approaches	§ 2.1.3.4.6
DR S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	§ 2.1.3.4.7
DR G1-1	Business conduct policy	§ 2.1.4.2
DR G1-2	Management of relationships with suppliers	§ 2.1.4.5
DR G1-3	Prevention and detection of corruption and bribery	§ 2.1.4.3
DR G1-4	Confirmed incidents of corruption or bribery	§ 2.1.4.4
DR G1-5	Political influence and lobbying activities	n/a
DR G1-6	Payment practices	§ 2.1.4.5

## 2.1.2 ENVIRONMENTAL INFORMATION (INCLUDING TAXONOMY)

### 2.1.2.1 CLIMATE CHANGE (ESRS E1)

Climate change, in its multiple dimensions, is a focus of attention for the Group. Hermès addresses this through its climate strategy, which includes concrete initiatives in its direct operations, its supply chains and in terms of the preservation of natural resources.

#### 2.1.2.1.1 Integration of sustainability-related performance in incentive schemes (ESRS 2 GOV-3)

For more information, see § 2.1.2.6.

#### 2.1.2.1.2 Transition plan for climate change mitigation (E1-1)

##### Strategy

Hermès recognises the urgency of addressing the global challenge of climate change. With a responsible and long-term approach, Hermès understands the impact that its operations can have on the environment and society. Thanks to its craftsmanship model and a production mainly in France, Hermès is today one of the lowest carbon emitters among CAC 40 companies<sup>(1)</sup>. Hermès has developed a transition plan with ambitious science-based targets through its membership to the “Science-Based Targets Initiative” (SBTi). SBTi validated the emission reduction targets for scopes 1, 2 and 3 at the end of 2021, thus recognising Hermès’ commitment to the fight against climate change. These objectives are designed to participate in the trajectory limiting global warming to 1.5°C by 2100, in accordance with the Paris Agreement<sup>(2)</sup>. This climate plan establishes clear responsibilities by entity and métier, is integrated into the Group’s strategy and financial planning, takes into account short-, medium- and long-term aspects, with a focus on actions that can be undertaken rapidly and covering all of the Group’s scopes (including its value chain).

Thus, as part of the operational implementation of this strategy, which includes phasing out fossil fuels, Hermès has decided to no longer use gas or any other fossil fuel as an energy source for any new industrial investments, unless this is proven technically impossible (as indicated in § 2.1.2.1.8).

In addition, the “Harmonie” real estate standard, an internal sustainable construction standard, enables a more accurate measurement of environmental issues for all the House’s construction, refurbishment and renovation projects. This standard, certified in November 2022 by the independent third-party

verification body Bureau Veritas, includes environmental sustainability issues, including the carbon footprint. It thus sets binding targets for the fight against climate change, by setting a target of halving the carbon footprint per square metre built and renovated by 2030 (compared to 2018).

Furthermore, the long lifespan of Hermès products is an essential component of its business model, and helps to minimise their environmental impact (including carbon). Hermès strives to reduce its impacts at all stages of the life cycle of objects, through the implementation of circularity loops (reduction in the use of natural resources, reuse of materials, reduction of waste), as described in more detail in § 2.1.2.5.3.

Lastly, the Group’s consolidated financial statements also refer to the impacts of climate change on the Group and the transition plan, as presented in chapter 5 “Consolidated financial statements”, § 5.6.

##### Objective

The Group’s policy is to make a resolute commitment to a low-carbon world, with quantified targets set out in the timetable.

The plan includes science-based targets, validated by the SBTi, and aims to reduce the absolute value of Hermès’ greenhouse gas emissions by 50.4% for scopes 1 and 2<sup>(3)</sup> emissions (by 2030 compared to the 2018 reference year) and 58.1% in relative value (per million euros of gross margin) for scope 3 emissions over the same period. Hermès is also committed to increasing its annual renewable electricity supply from 69% in 2018 to 100% by 2025 and to sourcing 100% renewable electricity by 2030. To validate its objectives, Hermès has aligned itself with the SBTi’s “apparel and footwear” sector decarbonisation approach. This commitment was published in 2022.

As set out in § 2.1.2.1.10, over the longer term, the Group aims to contribute to carbon neutrality by 2050 by focusing on reducing the Group’s emissions in its own value chain. In addition to this reduction commitment, Hermès also uses carbon credits.

Hermès is also working on the formalisation of its long-term objectives, which will make it possible to comply with the “net zero” standard of the SBTi, in accordance with the expectations of the CSRD. In particular, Hermès has begun updating the file to be submitted to the SBTi in 2025, incorporating changes to the standard (including the FLAG<sup>(4)</sup> objectives).

1. Based on the 2023 universal registration documents published by these companies.

2. Scopes 1 & 2 objectives aligned with a 1.5°C trajectory and scope 3 objective aligned with a “well below 2°C” trajectory.

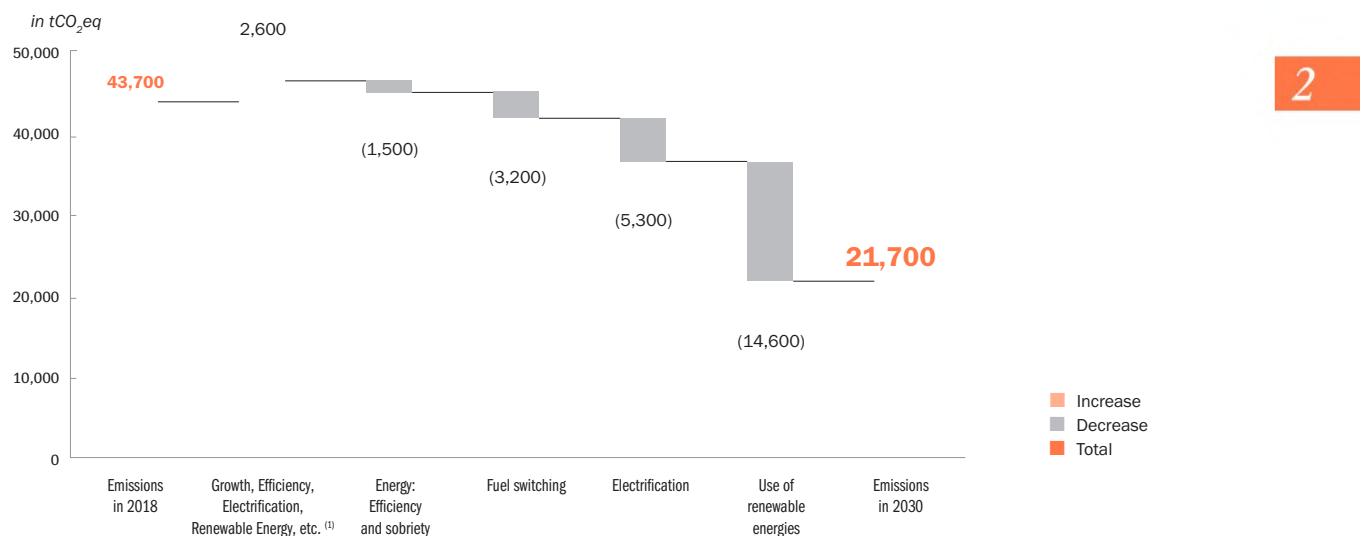
3. Objective including “market-based” scope 2 emissions.

4. FLAG (Forest, land and agriculture) is used to designate greenhouse gas emissions related to agricultural and forestry activities as well as to other activities that have a significant impact on land.

## Decarbonisation levers

Hermès has defined a decarbonisation trajectory for its scopes 1 and 2, as presented in the chart below:

DECARBONISATION LEVERS TO ACHIEVE THE 2030 OBJECTIVE VALIDATED BY THE SBTi (MARKET-BASED)

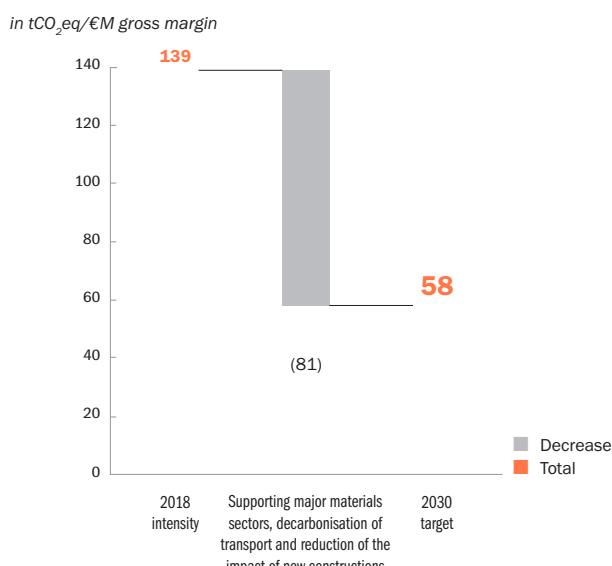


(1) This data reflects the difference between the rise in emissions due to the Group's growth and the effect of reduction actions taken since 2018.

For scope 3, the Group is working at all levels to decarbonise the various sources of emissions. These levers are listed below and are detailed in §2.1.2.1.6. To date, as the objective validated by the SBTi is economic intensity, it is on this basis that the Group presents the

scope 3 trajectory between 2018 and 2030 (the review of the Group's objectives, by 2026, as part of the SBTi "net zero" and "FLAG" standard will be an opportunity to specify and quantify the Group's decarbonisation trajectory and levers across all its scopes).

## SCOPE 3 IN INTENSITY



Scopes 1 and 2 emissions are those that are directly controlled by Hermès and are mainly related to gas and electricity consumption on the sites (see § 2.1.2.1.9). Hermès' sites use electricity and gas to light and heat buildings, as well as for manufacturing processes and crocodilian livestock farming. The manufacturing sites and farms consume three quarters of the energy purchased by the Group. This energy is used to operate a wide variety of equipment.

The main levers implemented in Hermès' own operations to decarbonise the activity are:

- ◆ regular monitoring of energy consumption, refrigerant leaks and their GHG emissions;
- ◆ energy sobriety, notably through a change in energy consumption habits;
- ◆ energy efficiency, both for buildings and for industrial processes;
- ◆ the phase-out of fossil fuels and the use of electrification and renewable energy (ENR). Thus, no new industrial or real estate investments using fossil energy in their operations have been authorised, unless where this is the sole technical solution;
- ◆ the gradual replacement of industrial equipment and equipment in buildings that use fossil fuels with electrical equipment or equipment operating with renewable energy;
- ◆ the use of new technologies that make it possible to implement and identify new decarbonisation paths.

Scope 3 emissions are indirect emissions caused by the Group's activity and resulting from its upstream and downstream value chain. The main levers implemented to decarbonise activity in the Hermès value chain are:

- ◆ raising the awareness of suppliers and partners;
- ◆ the cross-sharing of greenhouse gas (GHG) emission reduction ambitions between Hermès and its suppliers;
- ◆ the collection of suppliers' GHG assessments in order to better understand their impacts;
- ◆ support for the major materials supply chains in order to reduce their carbon footprint;
- ◆ optimisation of transportation;
- ◆ use of alternative, less carbon-intensive transport;
- ◆ use of fuels made from sustainable raw materials;
- ◆ use and rollout of the "Harmonie" sustainable construction standard to reduce the impact of new buildings;
- ◆ mobility plans shared with Group employees;
- ◆ the search for new ways to manufacture products while guaranteeing high quality, through innovations in materials or new manufacturing processes.

The actions implemented as part of these levers are presented in more detail in § 2.1.2.1.6. They depend, where applicable, on the availability and allocation of resources, particularly with regard to renewable energy or new technologies, for example.

#### **Financial planning and taxonomy**

Each métier draws up action plans and presents the investment plans and resources required to achieve the Group's decarbonisation objectives to the industrial department. Major investments are approved by the Executive Committee.

Financial information regarding the CapEx linked to the European taxonomy is presented in § 2.1.2.6.2. In 2023, the criteria of the European taxonomy regarding eligible real estate CapEx were integrated into the Harmonie standard, which makes it possible to monitor **their alignment**, it being specified that all of the Group's real estate projects apply the Harmonie standard.

Lastly, to date, the impacts of climate change on the consolidated financial statements are not significant. This is also presented in § 5.6, Note 3. The financial investments to support the long-term transition plan cannot be quantified at this stage.

#### **Locked-in emissions**

Some Hermès activities involve emissive equipment, which could generate locked-in emissions, such as certain gas furnaces used at

Cristalleries Saint-Louis. Nevertheless, due to Hermès' activity, which predominantly relies on craftsmanship, and the pace of renewal of said equipment, the Group has not identified any significant locked-in emissions.

#### **Benchmarks**

Hermès does not fall within the scope of application of the exclusion criteria specified by the Benchmark Regulation<sup>(1)</sup>. Hermès therefore considers itself eligible for the "Paris Agreement" benchmarks, as the Group is not aware of any exclusions.

#### **Governance**

The duties of the Supervisory Board (whose composition is detailed in chapter 3 "Corporate governance", § 3.4.) in terms of CSR and in particular on issues relating to climate change mitigation are as follows:

- ◆ the Board is informed, in particular through the Compensation, Appointments, Governance and CSR (CAG-CSR) Committee, of the main issues faced by the Company in the area of corporate social responsibility and non-financial performance, including climate-related issues; As part of its management control role, the multi-year strategic guidelines in terms of CSR, their implementation methods and results were presented to the Supervisory Board;
- ◆ the Board regularly reviews, via the Audit and Risk Committee, the social and environmental opportunities and risks, as well as the measures taken as a result.

The Hermès Executive Committee also plays a significant role and has a global vision of the Group on climate issues. This ensures a strategic positioning on this subject, at the highest level of the organisation. Sessions entirely dedicated to CSR are organised on a regular basis.

The transition plan was presented to the Supervisory Board and the Executive Committee of Hermès as part of the aforementioned missions.

#### **Progress in implementing the transition plan**

Between 2018 (reference year) and 2024, scopes 1 and 2 emissions decreased by 63.7% in market-based. Regarding scope 3, the intensity of emissions was reduced by 50.5% compared to 2018. Emissions are in line with the Group's 2030 objectives validated by the SBTi.

Since the update in 2021 (during the review of the objectives by the SBTi) of the calculation methodology and the scope of the reference year, no significant events have justified an update of the latter.

The Hermès Climate transition plan is also available on the Hermès Finance website<sup>(2)</sup>.

1. Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council with minimum standards for the Union's "climate transition" benchmarks and indices "Paris Agreement" benchmark.  
 2. <https://finance.hermes.com/en/publications/>

2.1.2.1.3 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy	
<b>PLANET</b>						
<b>Environment</b>						
<b>Climate change</b>						
1	Impact of the Group's activities on climate change	Negative impact	Direct operations	Medium term	Actual	Environmental policy Transition plan
2	Impact of the Group's value chain activities on climate change	Negative impact	Upstream and downstream value chain	Short term	Actual	Responsible purchasing policy Supply chain brief CSR brief Transition plan
3	Impact related to the use of carbon energies in the Group's operations and upstream value chain	Negative impact	Upstream value chain and direct operations	Short term	Actual	Environmental policy Sobriety plan Transition plan Responsible purchasing policy
4	Hermès' contribution to climate change mitigation within its value chain	Positive impact	Upstream value chain	Medium term		Responsible purchasing policy Supply chain brief CSR brief Transition plan
5	Risk related to the impacts of climate change on the Group's raw materials	Risk	Upstream value chains	Long term		Responsible purchasing policy Supply chain brief CSR brief

2

**Impact of the Group's activities on climate change**

The Group's activities have an impact on climate change, mainly through the greenhouse gas emissions that they generate in particular in the production of objects and their transport.

**Impact of the Group's value chain activities on climate change**

The Group's value chain activities have an impact on climate change, mainly through the greenhouse gas emissions that they generate in particular in the production of the raw materials used to manufacture the Group's objects.

**Hermès' contribution to climate change mitigation within its value chain**

The Group contributes to reducing the greenhouse gas emissions produced by its value chain through concrete actions as described in § 2.1.2.1.6.

**Impact related to the use of carbon energies in the Group's operations and upstream value chain**

Even if it is in small quantities and only for certain activities, the Group uses non-renewable energy and this may also be the case for partners in the value chain, generating greenhouse gas emissions.

**Physical risks related to the impacts of climate change on the Group's raw materials**

These risks relate to the physical consequences of climate change (i.e. extreme weather events, rise in temperatures, increase or decrease in rainfall, etc.) that could affect the availability and quality of the Group's raw materials.

**Transition risks related to the impacts of climate change on the Group's raw materials**

These risks relate to the impacts of the measures taken to make the transition to a low-carbon world and which could modify Hermès' upstream value chain and its activities (such as regulations or changes in consumption).

As explained in § 2.1.1.5 "Strategy, business model and value chain" and § 2.1.1.6 "Impacts, risks and opportunities, sustainable development roadmap", Hermès' business model and its transition plan include all considerations related to climate change, whether mitigation, adaptation or energy.

The process for performing the double materiality analysis and identifying impacts, risks and opportunities is set out in § 2.1.1.3 "Description of the processes to identify and assess material impacts, risks and opportunities" and § 2.1.1.4 "Group risk management framework". Material impacts, risks and opportunities related to each sub-topic of the climate change standard have been identified.

With regard to external stakeholders, the expectations of CDP and also investors who rely on this questionnaire are studied carefully. The models of non-financial rating agencies (such as MSCI, Sustainalytics, S&P, ISS ESG, etc.) are also used to expand the strategy and refine its indicators.

With regard more specifically to the impacts, risks and opportunities related to climate change, Hermès is striving to reduce the impact of its activities on the climate. The House is examining potential adaptations along its entire value chain, in particular as part of its purchasing strategy, in order to reduce its exposure to the effects of climate change. Depending on the regions and métiers concerned, the latter will have different impacts on Hermès' activity, through:

- ◆ the physical consequences of climate change (i.e. extreme climate events, increase in temperatures, increased or decreased rainfall, etc.);
- ◆ the impacts of measures taken for the transition towards a low-carbon world, in particular the fastest measures (i.e. transition risks: carbon tax, regulatory changes, client behaviour, etc.).

The magnitude and severity of changes related to physical and transition risks, including estimated financial effects, as well as factors such as location, supply chain sensitivity, quality of local infrastructure and behaviour of other players in the ecosystem, will make it possible to prioritise action plans.

Hermès bases its approach to adapting to climate change on the identification of physical and transition risks as defined by the TCFD (1). The various studies carried out by Hermès have made it possible to identify physical and material transition risks (on certain priority supply chains and Group sites) as well as associated resilience analyses as detailed in § 2.1.2.1.4.

Moreover, the availability of high-quality forward-looking scenarios is a major issue for transition risk studies. In addition to these analyses, Hermès is also committed to a collaborative approach to strategic foresight that brings together more than 20 large companies and organisations from various sectors as well as research institutions. This project is called the IF Initiative ([www.ifinitiative.com](http://www.ifinitiative.com)).

Coordinated by an expert firm, the work carried out by this group of players aims to build shared tools for building forward-looking scenarios and implementing the use of forward-looking scenarios in operations, particularly in the construction of strategic plans.

All conclusions from this project will be freely accessible to ensure their wide distribution and use.

#### 2.1.2.1.4 Description of the processes to identify and assess material climate-related impacts, risks and opportunities (ESRS 2 IRO-1)

As indicated in § 2.1.2.1.3, for more information on the double materiality analysis and the process of identifying impacts, risks and opportunities, please refer to § 2.1.1.3 "Description of the processes to identify and assess material impacts, risks and opportunities" and § 2.1.1.4 "Group risk management framework".

##### Climate change mitigation

The Hermès Group's activities have an impact on climate change, in particular due to the greenhouse gas emissions they generate. This impact is assessed annually by carrying out an overall assessment of the Group's greenhouse gas emissions, as detailed in § 2.1.2.1.9. Hermès responds to this risk through actions to mitigate its emissions.

##### Climate change adaptation

As part of its adaptation strategy, Hermès carries out analyses of physical and transition risks related to climate change.

##### PHYSICAL RISKS

Through several risk analyses carried out with the help of an independent expert firm, Hermès has identified various climate hazards and assessed the way in which its assets and economic activities could be exposed.

An analysis of the 28 physical risks related to climate change was initially carried out in four of the House's emblematic supply chains, from material sourcing to stores: silk, cashmere, cowhide and exotic leather.

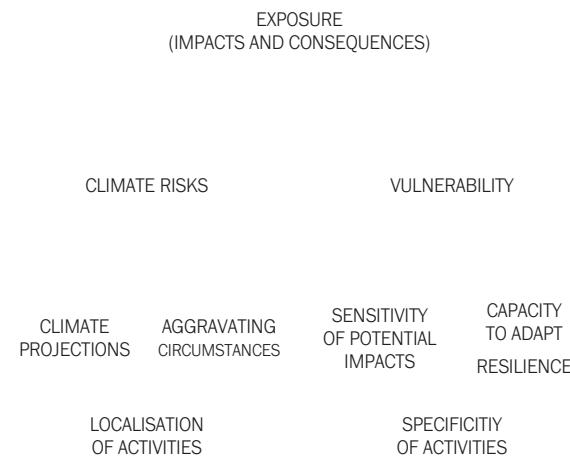
Eight scenarios were thus selected to test the resilience of these value chains. These scenarios were developed taking macroeconomic studies into account as well as industry analyses:

- ◆ six direct impact scenarios were developed for the supply of raw materials in the supply chains studied. They combine various predictable climate hazards on the supply of raw materials and on the production of products: droughts, rising temperatures, heat waves, intense rain, water surges and hurricanes. They make it possible to identify existing capacities for adaptation and those that Hermès could strengthen, region by region: South America (silk); Louisiana, Australia, Africa (exotic leather); Mongolia (cashmere); Europe (cowhide, manufacturing sites);
- ◆ two systemic scenarios of direct and indirect impacts on Hermès' global business were examined, modelling a succession of extreme events in France or modelling a global health and food crisis to test the resilience of the upstream and downstream logistics chains, production and product distribution. They are built on the basis of systemic failures of support functions and/or external service providers outside Hermès' métiers. They combine original hazards that are difficult to predict but have a major and systemic impact on entire regions. These scenarios make it possible to identify potential weaknesses in Hermès' value chain and enable stakeholders to be included in the consideration of the impacts of climate change.

1. Task Force on Climate Related Financial Disclosures.

Physical risks were measured by combining changes in climate hazards with the Company's level of vulnerability to these hazards, as shown in the diagram below:

## SCENARIOS ANALYSIS METHODOLOGY (PHYSICAL RISKS)



In each of these pessimistic scenarios, the risks likely to materialise are taken from the study of global IPCC<sup>(1)</sup> projection data (time horizon of 10 to 15 years) or regional data, for example from the European Environment Agency (time horizon of 20 to 30 years). Each scenario describes the potential impacts of major importance for Hermès, the triggering risks and their evolution in the short, medium or long term depending on the geographical area studied. Materiality grids, classifying impacts according to their likelihood and potential impacts, make it possible to rank the issues identified. The conclusions of this risk study was then taken into account and integrated into the métiers' action plans.

The main risks identified were as follows:

- Heatwaves, higher temperatures and significant droughts can impact the health of silkworms and silk production in Brazil and are already having consequences: a drought in 2020 delayed silk production by several weeks. This situation could repeat itself. To strengthen the resilience of this sector, Hermès is already

providing operational support to its partner in Brazil for its work in adapting to climate change, in particular regarding its water management. The Group has also anticipated the subject in order to reduce the potential impact of these risks by setting up a buffer reserve of this material.

- Periods of drought and significant rises in temperature can also have an impact on leather production in Europe and lead to an increase in animal mortality or a reduction in the quality of the leather. In order to prevent the risk of animal transportation bans during periods of high temperatures, Hermès optimises its use of raw materials, in particular for calves, and has established back-up reserves of hides in its own operations.

In order to supplement this study carried out on its priority sectors, Hermès also carried out a physical risk analysis on its 121 locations in France. This analysis, based on the SSP2-4.5 scenario<sup>(2)</sup> considered as the most likely and the most relevant in terms of Hermès' activities, covered all three Hermès activities in France: production sites, the tertiary sector (including warehouses) and stores. This study was carried out on a time horizon to 2050 (2041-2060) compared to the reference period 1976-2005. This time horizon was chosen because the significant material impacts are mainly expected in the long term, due to the potential increase in their intensity and frequency. It took into account both internal and external Group data. As France is representative of the Group's activities, this study provided an exhaustive view of the risks by type of activity.

Five types of primary hazards are studied (corresponding to the major risks identified during the first study): extreme heat, heavy rains, river flooding, droughts and violent winds, together with aggravating factors where applicable (presence in areas prone to flooding, for example). The processes analysed related to the Company's own assets (integrity of buildings, equipment) as well as to flows related to these assets (supply of goods, mobility of people, quality of networks). As part of this analysis, the risk assessment was established by taking into account the characteristics of the sites, the vulnerability of the processes according to physical hazards, climate projections and aggravating factors.

This analysis made it possible to identify the 10 sites most sensitive to climate hazards (in terms of the number of processes identified as critical risk per site, all hazards combined). For example, some sites are subject to a risk of flooding, as was the case at the Puy-en-Velay tannery in 2024. Hermès takes these hazards into account in order to address these risks, particularly during renovation work. Hermès also continues to maintain dialogue with its local stakeholders, particularly the municipalities, in order to find shared solutions regarding climate change adaptation.

1. Intergovernmental Panel on Climate Change.  
2. SSP2-4.5 is a business as usual trend scenario, where the level of emissions corresponds to that of the nationally-determined contributions, and where the rate of emissions is not subject to major sudden variations.

To go even further, a more detailed study is being carried out at each of the most critical sites. This study aims to obtain an increasingly operational vision and to re-examine the resilience plans already in place as well as those to be developed.

Furthermore, in order to have an exhaustive view of the risks at all of the Group's sites, in 2024 Hermès launched a new analysis of climate risks at its sites and main international flows taking into account the criticality and frequency of climate hazards, the diversity of the regions as well as the revenue achieved. The results of this new analysis are expected in 2025.

Lastly, Hermès acquired a digital tool to map all of the House's sites and identify the climatic hazards to which they are exposed as well as their level of risk. This tool will enable the existing risk analyses to be supplemented using three climate scenarios, optimistic, intermediate and pessimistic (SSP1-2.6, SSP2-4.5, SSP 5-8.5) and according to two time horizons (2030 and 2050).

#### TRANSITION RISKS

Exposure to transition risks is studied by the audit and risk management department, the industrial, direct purchasing and sustainable development departments, as well as during the Sustainable Development Committee, with a cross-functional vision by major issues (water, climate, etc.)

Transition risks are those induced by the transition to a low-carbon economy that is resilient to climate change, respecting planetary limits and which relate to the business model and its development.

An analysis of transition risks was carried out in 2023 by the industrial and direct purchasing departments, with the help of an expert firm, in order to anticipate changes in Hermès' upstream value chain (animal sectors) and the impacts on its activity. It makes it possible to use different transition and climate change scenarios to test the resilience of the business model, in order to identify the axes and levers enabling identified vulnerabilities to be addressed and to devise the initial solutions, which can be adapted as short, medium and long-term operating strategies for each activity impacted.

The study made it possible to identify the main transition risks in various sectors and to analyse resilience strategies in order to secure the Group's supply for six resources until 2050: calfskin, cowhide, sheep leather and goatskin, pigskin, cashmere and silk. It comprises:

- ◆ a diagnostic to assess the availability of six of Hermès' strategic resources, leather and textile materials, under contrasting decarbonisation and warming scenarios, considered to be the most relevant for Hermès' activities;
- ◆ a strategy and initial action plans to establish low-carbon and resilient models for the production of these resources and the implementation of complementary and sustainable alternative sectors.

Sector scenarios were used, for example Afterres for agriculture in France (1.5°C scenario). Materiality grids, classifying impacts according to their likelihood and potential impacts, make it possible to

rank the issues identified. The conclusions of these risk studies were then taken into account and integrated into the métiers' action plans. 2050 was used as the time horizon because this deadline offers a sufficiently long time frame to allow the implementation of profound transformations in societal behaviour and sectors such as agriculture, energy and industry.

This analysis did not identify any Hermès assets or activities that are incompatible with the implementation of the climate transition. No events took place in 2024 that questioned the results of this study.

#### 2.1.2.1.5 Policies related to climate change mitigation and adaptation (E1-2)

The new CSR governance structure established at the end of 2022 places the supervision of the Group's Climate policy directly at the heart of the Executive Committee's responsibilities.

Hermès' policy is to resolutely commit to a low-carbon world with quantified objectives, included in a time-based agenda and scientifically validated by the SBTi, making it possible to address the impacts of climate change on its activities and its value chain as part of a trajectory reducing its direct and indirect emissions helping to limit global warming to 1.5°C. This policy is reflected in Hermès' climate transition plan as presented in § 2.1.2.1.2, as well as in the environmental policy. It is broken down into several areas such as:

- ◆ measuring the impacts of its activities on all scopes 1, 2 and 3;
- ◆ prioritising actions to reduce emissions in the various categories where the Group can act; and
- ◆ implementing external actions (as presented in § 2.1.2.1.6).

In line with this mitigation policy, the House is adopting a strategy of reducing energy consumption, integrating consumption monitoring, sobriety and energy efficiency at operating sites in order to reduce and optimise its consumption. It thus includes connection to district heating and cooling networks, the use of renewable energy, through the installation of geothermal heating or cooling, photovoltaic panels, or the use of wood-fired boilers on certain sites as well as the supply of green electricity or renewable gas at operating sites in France and worldwide. Hermès has committed to implementing a policy of 100% renewable electricity within its own operations by 2025 and 100% renewable energy by 2030.

As specified in § 2.1.2.1.3 above, in terms of adaptation and in order to take into account the physical and transition risks caused by climate change on its operations and its business model, it also incorporates a forward-looking vision using scientifically recognised scenarios including those of the IPCC (SSP1-1.9, SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5). These allow:

- ◆ anticipation of risks related to the rise in sea levels, extreme weather events or supply disruptions in the value chain;
- ◆ projections of risks or opportunities associated with significant decarbonisation of activities at the global level.

In order to take into account the interests of its key stakeholders when drawing up its policy, Hermès has considered its responsibilities in its direct and extended spheres of influence, including for scope 3 emissions. More specifically and as presented in its transition plan, Hermès focuses on major sources of emissions such as purchases, transport, real estate (including materials) and employee travel. With regard to the decarbonisation of purchases, the objective of the policy is to support suppliers and partners so that they can assess their own carbon footprint internally, to implement an action plan that enables this to be monitored and to monitor the reduction of their GHG emissions. Group employees are also made aware of and

encouraged to make the transition to less carbon-intensive means of mobility. Hermès is attentive to the transparency and consistency of its policy with that of the sector by presenting its actions according to the framework recommended by the TCFD (Taskforce on Climate-related Financial Disclosures, in particular by responding to the CDP Climate questionnaire (on which it received an A rating in 2024) and participating in market initiatives such as the UNFCCC (United Nations Fashion Industry Charter for Climate Action).

The table below shows the Group's various climate change mitigation and adaptation policies.

2

Policy	Description of the main content of the policy	Description of the scope of the policy or its exclusions	Description of the highest level of the organisation responsible for implementing the policy	Publication of standards or third-party initiatives followed as part of the implementation of the policy	Explanation of how the policy is made available to stakeholders that may be affected and to those who have to contribute to its implementation	
Harmonie standard	Sustainable construction guidelines	All new construction and renovation worldwide	Executive Committee	Label status awarded by Bureau Veritas	Internal guidelines	
Environmental policy	Installation of renewable energy sources on sites	100% of industrial sites (Europe)	Executive Committee	SBTi sector standard	Publication planned on the website in 2025	
	Energy management					
	Purchase of green energy			TCFD, CSRD and EU taxonomy		
	GHG emission reduction	Worldwide (scopes 1 and 2)				
Responsible purchasing policy	Climate change adaptation	Worldwide				
	Integration of environmental and carbon criteria in the selection of partners	Direct and indirect purchases (scope 3)	Executive Committee		Publication on the website	
Supply chain brief	GHG emission reduction	Direct purchases (scope 3)	Executive Committee		Publication on the website	
CSR brief	Objectives of the House and its expectations of suppliers on environmental and social issues	Direct and indirect purchases (scope 3)	Executive Committee		Publication on the website	

### 2.1.2.1.6 Actions and resources in relation to climate change policies (E1-3)

#### Climate change mitigation actions

The table below details the actions implemented in connection with the climate change mitigation levers and targets presented in the transition plan. The actions described on the Group's industrial sites

are mainly carried out in France and Europe due to their location. With regard to the value chain (transport, purchases of materials), actions have an international dimension.

Transition plan levers	Scope	Scope	Action	Time horizon: 2025-2030	Estimated reduction in emissions (in TCO <sub>2</sub> e)
Fuel switching	Industrial	Scopes 1+2	Installation of new boilers (including biomass) in tanneries, withdrawal from gas for heating the leather goods buildings, replacement of fuel oil boilers for heating water in tanks on farms	x	3,200
Electrification	Group	Scopes 1+2	Electrification of crystal production furnaces, replacement of gas boilers by an electric solution in the Textile division, installation of heat pumps for heating buildings	x	5,300
Efficiency and sobriety	Group	Scopes 1+2	Insulation of buildings in tanneries, recovery of waste heat from crystal production furnaces for heating buildings, renewal of equipment to limit gas and electricity consumption	x	1,500
Use of renewable energy	Group	Scopes 1+2	Purchase of renewable energy, installation of photovoltaic panels on farms	x	14,600
Collection of supplier GHG assessments and awareness-raising	Upstream value chain	Scope 3	Support suppliers so that they can carry out their own carbon footprint assessment internally and then allocate the appropriate share to each Hermès métier. For more mature suppliers, a questionnaire is sent to them to share their CSR strategy, their carbon footprint or their reduction trajectory, starting with their scopes 1 and 2. Supplier days are also organised with a focus on carbon	x	In the process of being estimated
Supporting supply chains	Upstream value chain (materials)	Scope 3	Sourcing of hides: integration into working groups on life cycle analyses of both alligator farming and goats	x	In the process of being estimated
Supporting supply chains	Upstream value chain (materials)	Scope 3	Feed used on crocodile farms: tracing the production chain to understand and reduce emission factors	x	In the process of being estimated
Optimisation of transportation	Upstream value chain (transport)	Scope 3	Optimisation of loading in trucks to reduce the number of vehicles used Organisation of group collections from the various manufacturers For deliveries in France and Europe, the optimisation of loading and the frequency of departures are also key elements: weekly and bi-weekly shuttles have been in place for several years and link the logistics warehouse and the various distribution platforms Implementation of shared mobility plans between employees	x	In the process of being estimated
Decarbonising supply chains	Upstream value chain (transport)	Scope 3	Intra-European upstream logistics flows are gradually replacing diesel by gas or biogas. Use of synthetic fuel, not derived from fossil fuels, for shuttles Use of cargo planes, which have lower emissions, and optimised loading For local transport, i.e. from local warehouses to city centres, electric or biogas delivery vehicles are used whenever possible. Purchase of sustainable fuel (aviation, maritime, road)	x	In the process of being estimated
Decarbonising supply chains	Upstream value chain (transport)	Scope 3	Procurement practices: calls for tenders systematically include a criterion related to improving the carbon footprint The use of NGV (natural gas for vehicles) and bioNGV for road transport, SAF (Sustainable Aviation Fuel) for air transport and SMF (Sustainable Maritime Fuel) for maritime transport Suppliers are assessed on their performance in this area, in particular with the EcoVadis platform	x	In the process of being estimated
Decarbonising supply chains	Upstream value chain (transport)	Scope 3	For distant transport (Asia, America, Oceania), maritime transport is preferred when the nature, volume and/or quantity of the items to be shipped permit it Road shipments replacing air for the scope of stores in Europe	x	In the process of being estimated
Decarbonisation real estate assets	Upstream and industrial value chain	Scopes 1+2+3	Implementation of the Harmonie sustainable construction standard: reduction of the carbon impact of construction (construction products), reduction of construction site emissions, control of energy consumption, recovery of energy on site, reduction in operating energy consumption emissions	x	In the process of being estimated

#### Climate change adaptation actions

In terms of climate change adaptation, Hermès implements actions to address climate hazards as identified in § 2.1.2.1.4. These actions take the form of:

- ◆ during the construction of new buildings, use of the Harmonie standards: this real estate framework specific to Hermès (certified by Bureau Veritas in 2022) allows an accurate measurement of the environmental challenges of all construction, development and renovation projects;
- ◆ in terms of water resource management, the Group is pursuing an objective of reducing its water consumption. Concrete actions to reduce consumption and to anticipate are implemented, as described in § 2.1.2.3.4.

#### 2.1.2.1.7 Targets related to climate change mitigation and adaptation (E1-4)

In order to mitigate the impacts of Hermès' activities on climate change, and as part of its climate change mitigation policy, Hermès has set science-based GHG emission reduction targets, validated by the SBTi. These objectives aim to reduce the absolute value of

Hermès' greenhouse gas emissions by 50.4% for scopes 1 and 2 emissions<sup>(1)</sup> (by 2030 compared to the 2018 reference year) and by 58.1% in relative value (per million euros of gross margin) for scope 3 emissions over the same period. These objectives cover the entire scope of the Group's activities. SBTi validated these objectives at the end of 2021, thereby recognising Hermès' commitment to the fight against climate change. These objectives aim to contribute to the trajectory of limiting global warming to 1.5 °C by 2100, in accordance with the Paris Agreement<sup>(2)</sup>.

Hermès used the SBTi "Apparel and footwear" Sectoral Decarbonisation Approach for all its activities.

2018 was chosen as the reference year because it was the first year of consolidation of the carbon footprint at Group level. This year remains representative of Hermès' activities for the purposes of defining GHG emission reduction targets.

Wishing to maintain a scientifically proven approach, the Group has not yet defined absolute targets for scope 3. Thus, internal work is underway, particularly in the context of the integration of the evolution of the SBTi (FLAG objectives) standard.

2

#### 2030 GHG EMISSIONS REDUCTION OBJECTIVE IN ABSOLUTE VALUE

	Scope 1	Scope 2 market-based
Emissions in the reference year - 2018 (in k tonnes CO <sub>2</sub> eq)	22.1	21.7
<b>Absolute scopes 1 &amp; 2 reduction target by 2030</b>		<b>-50.4%</b>

#### 2030 GHG EMISSIONS REDUCTION OBJECTIVE IN ABSOLUTE VALUE

	Scope 3
Intensity value for the reference year - 2018 (tonnes of CO <sub>2</sub> eq / €M margin)	138.6
<b>Relative scope 3 reduction target by 2030 (emissions intensity by gross margin)</b>	<b>-58.1%</b>

The table below shows the results observed in 2024 in terms of reducing greenhouse gas emissions:

	2024	Change compared to 2018	Reminder of 2030 target
<b>Scopes 1 and 2 emissions (market based) in absolute value (in k tonnes CO<sub>2</sub>eq)</b>	15.9	<b>-63.7%</b>	-50.4%
<b>Intensity of scope 3 emissions compared to gross margin (in tonnes CO<sub>2</sub>eq/€M margin)</b>	68.7	<b>-50.5%</b>	-58.1%

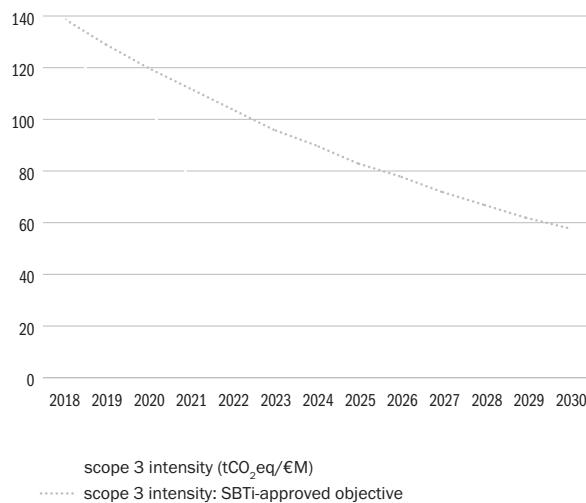
With a decrease of 63.7% in absolute value of scopes 1 and 2 compared to 2018, and 50.5% in scope 3 intensity, emissions are in line with the Group's 2030 objectives validated by the SBTi.

In the chart opposite, the grey curve illustrates the scope 3 emission intensity ratio reduction trajectory validated by the SBTi. The scope 3

intensity ratios recorded between 2018 and 2024, shown on the dark orange curve, demonstrate that the Group managed to exceed the objectives it had set itself as part of its emissions reduction trajectory. In 2024, the Group achieved nearly 90% of its SBTi scope 3 reduction target.

1. Scope 2 market-based.
2. Scopes 1 & 2 objectives aligned with a 1.5 °C trajectory and scope 3 objective aligned with a "well below 2 °C" trajectory.

**CHANGE IN THE GROUP'S SCOPE 3 EMISSIONS TRAJECTORY IN INTENSITY COMPARED TO THE TRAJECTORY VALIDATED BY THE SBTI**



**2.1.2.1.8 Energy consumption and mix (E1-5)**

The table below shows energy consumption by type of fuel in order to present the energy mix used by Hermès in 2024.

Energy consumption and mix	2024
<b>Total energy consumption from own operations (in MWh)</b>	<b>233,735</b>
<b>Share of renewable sources in total energy consumption (in %)</b>	<b>71%</b>
Share of fossil sources in total energy consumption (%)	28%
Share of consumption from nuclear sources in total energy consumption (%)	0.3%
<b>Total energy consumption from renewable sources (in MWh)</b>	<b>166,689</b>
◆ Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (in MWh)	24,882
◆ Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (in MWh)	139,285
◆ Consumption of self-generated non-fuel renewable energy (in MWh)	2,522
<b>Total energy consumption from nuclear sources (in MWh)</b>	<b>808</b>
<b>Total fossil energy consumption (in MWh)</b>	<b>66,238</b>
◆ Fuel consumption from coal and coal products (in MWh)	0
◆ Fuel consumption from crude oil and petroleum products (in MWh)	5,236
◆ Fuel consumption from natural gas (in MWh)	58,699
◆ Fuel consumption from other fossil sources (in MWh)	121
◆ Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources (in MWh)	2,182

**2.1.2.1.9 Gross scopes 1, 2, 3 and total GHG emissions (E1-6)**

The 2024 gross GHG emissions for scopes 1, 2 and 3 are presented below:

<i>Emissions in tonnes of CO<sub>2</sub>eq</i>	<b>2024</b>
<b>Scope 1 GHG emissions</b>	
<b>Gross location-based Scope 1 GHG emissions</b>	
Gross market-based Scope 1 GHG emissions	<b>13,202</b>
Percentage of scope 1 GHG emissions from regulated emission trading schemes (%)	Not applicable
Biogenic emissions of CO <sub>2</sub> from the combustion or biodegradation of biomass from the scope 1 GHG emissions	0
<b>Scope 2 GHG emissions</b>	
Gross location-based scope 2 GHG emissions	<b>34,457</b>
Gross market-based scope 2 GHG emissions	<b>2,693</b>
Biogenic CO <sub>2</sub> emissions from biomass combustion or biodegradation of scope 2 GHG emissions	0
Percentage of contractual instruments, scope 2 GHG emissions	8%
Description of types of contractual instruments, scope 2 GHG emissions	See § 2.1.2.1.6
Percentage of contractual instruments used for the sale and purchase of bundled energy claims with characteristics relating to energy production	1%
Percentage of contractual instruments used for the sale and purchase of energy claims for non-bundled characteristic declarations	78%
<b>Significant scope 3 GHG emissions</b>	
<b>Total gross indirect (scope 3) GHG emissions</b>	<b>731,915</b>
1. Purchased goods and services	530,107
2. Capital goods	61,990
3. Fuel and energy-related activities (not included in scope 1 or scope 2)	2,745
4. Upstream transportation and distribution	7,707
5. Waste produced during operations	8,546
6. Business travel	10,014
7. Employee commuting	29,090
8. Upstream leased assets	0
9. Downstream transportation	77,587
10. Processing of sold products	0
11. Use of products sold	0
12. End-of-life treatment of sold products	1,433
13. Downstream leased assets	0
14. Franchises	2,696
15. Investments	0
<b>Total GHG emissions (location-based)</b>	<b>784,172</b>
<b>Total GHG emissions (market-based)</b>	<b>747,810</b>

Ratio of GHG emissions intensity to 2024 turnover	2024
Total GHG emissions intensity (location-based) (in tCO <sub>2</sub> eq/€M turnover)	52
Total GHG emissions intensity (market-based) (in tCO <sub>2</sub> eq/€M turnover)	49

#### Methodological details

The six types of GHGs of the Kyoto Protocol are covered by the calculation: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, SF<sub>6</sub>, HFC and PFC, as well as NF3.

The GHG assessment is calculated using the “operational control” approach of the GHG Protocol. The calculation covers all sources of emissions within the scope of the company, and these are accounted for in accordance with the recommendations of the GHG Protocol Corporate Standard.

Almost all emissions are assessed using a physical approach, i.e. Hermès converts physical data (km, kWh, kg, etc.) into emissions using physical emission factors (expressed in kg CO<sub>2</sub>eq/physical unit). These emission factors are either calculated precisely using internal data or are taken from first-rate international standards (*Empreinte* database © ADEME, Ecoinvent database, AIB database, etc.). They are naturally subject to variation over time.

Regarding scope 2, Hermès uses the so-called market-based approach, which consists of calculating the carbon footprint directly related to its energy purchases, rather than using the average mix of countries. For the recognition of market-based emissions for this scope, emission factors are prepared directly from contractual information. In the absence of information on all or part of the energy consumption (whether contractual or relating to the supplier's production mix), a residual emission factor is used, in accordance with best practices. If reliable data on the residual mix are not available, the network emission factor is applied.

Information according to the location-based methodology is also disclosed above.

All emission sources have been considered, although some are excluded from the calculation because they are considered not significant when less than 0.5% of total scopes 1, 2 and 3. The categories of GHG emissions from the GHG Protocol that are not relevant for Hermès are:

- ◆ Category 8: Upstream leased assets
- ◆ Category 10: The products sold by Hermès do not require any further transformation before being offered to end-users.
- ◆ Category 11: The products sold by Hermès do not involve any significant GHG emissions when used by end-users.
- ◆ Category 12: End-of-life treatment of packaging is the only emission item taken into account in this category. No end-of-life treatment of products sold is included in the calculation. The House's creative excellence, and the often timeless nature of the collections allow Hermès objects to remain desirable over the long term, thus extending their period of use.

- ◆ Category 13: Downstream leased assets

Hermès' greenhouse gas (GHG) emission reduction objectives are consistent with the data in its GHG emissions inventory and cover direct emissions (scope 1), indirect emissions related to energy (scope 2) and other indirect emissions (scope 3).

#### 2.1.2.1.10 GHG removals and GHG mitigation projects financed through carbon credits (E1-7)

As part of its ambition to contribute to carbon neutrality by 2050, Hermès is focusing on reducing emissions in its own value chain, which requires organisational and technological changes, both internally and with suppliers (as presented in § 2.1.2.1.6).

In addition to this commitment, Hermès uses carbon credits, based on so-called “nature-based<sup>(1)</sup>” solutions through natural capture mechanisms (for example, planting) or emission-avoidance mechanisms with the implementation of large-scale projects that take time to set up over the long term.

This carbon credit strategy is therefore gradual for two main reasons:

- ◆ on the one hand, so that the priority remains the allocation of human and financial resources to reducing emissions;
- ◆ on the other hand, to build projects with local communities, in compliance with Hermès' quality and ethics requirements, which require time.

Hermès wishes to contribute in a proactive way to collective carbon neutrality by 2050, by putting its investments in carbon credits into perspective with the level of its emissions. Since 2019, Hermès has used voluntary carbon credits for its scopes 1 and 2 emissions and, since 2022, this target also includes emissions from scope 3 upstream and downstream transport. In 2024, the use of Hermès' voluntary carbon credits represented 15% of its global emissions. Hermès purchases carbon credits directly from the companies in charge of the projects, which cancel them on behalf of Hermès. These credits come from projects with strong environmental and social requirements and are certified by the most demanding standards on the market.

In addition, and in addition to this carbon credit strategy, Hermès is continuing its studies, work and investments to achieve a “net zero” objective (using the SBTi standards) by 2050 and has begun in particular to update the file to be submitted to SBTi by integrating the changes to the standard (including FLAG).

1. Nature-based solutions are defined by the International Union for the Conservation of Nature (IUCN) as actions that rely on ecosystems to meet global challenges such as the fight against climate change, management of natural risks, health, access to water, food safety, etc.

### **High environmental and social contribution projects including the Livelihoods carbon funds**

Since 2012, Hermès has been a partner of the Livelihoods Carbon Fund (LCF), which aims to improve the living conditions of disadvantaged communities in a sustainable manner by developing large-scale projects with real impact against climate change and simultaneously contributing to local populations and the restoration of biodiversity. Ecosystem restoration, agroforestry and conservation agriculture have the ability not only to sequester carbon sustainably, but also to enable nature and communities around the world to thrive.

The Livelihoods Funds aim to be a start-up investor (with an entrepreneurial approach and investment risk) in three types of projects (ecosystems, agroforestry and energy) in Africa, Asia and Latin America as well as in France. The funds, launched successively, include 20 partners in their LCF1, LCF2 and LCF3 compartments. The initial duration of the funds is 24 years, and the duration of a project varies between 10 and 20 years. By participating in these three funds for 12 years now, Hermès is committed to local economic development, the protection of biodiversity and the fight against climate change. More than €290 million have thus been collected by these funds to help disadvantaged communities, the fight against climate change and the protection of biodiversity.

Details of the projects are presented on the page <https://livelihoods.eu/portfolio/>.

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In 2024, the projects that issued carbon credits for Hermès are as follows:

Fund	Project	Country	Type	Verifier
LCF1	Hifadhi 1	Kenya	Rural energy (stoves)	Gold Standard
	Tiipaalga	Burkina-Faso	Rural energy (stoves)	Gold Standard
LCF2	Chitetezo	Malawi	Rural energy (stoves)	Verra
	Hifadhi 2	Kenya	Rural energy (stoves)	Gold Standard
EcoAct	Masaka	Uganda	Rural energy (stoves)	Gold Standard

In addition to its investment in the Livelihoods carbon funds, and to meet its commitments, Hermès has also chosen to support projects proposed by EcoAct. One of the projects selected, which makes it possible to obtain Gold Standard certified carbon credits, is located in

Uganda, and consists of equipping local populations with improved cooking stoves, avoiding the use of charcoal and consequently deforestation and improving air quality inside homes.

**The table below summarises all cancelled carbon credits:**

Carbon credits cancelled in the reporting year	2024
<b>TOTAL (in k tCO<sub>2</sub>eq)</b>	<b>113</b>
Share from removal projects (%)	0
Share from reduction projects (%)	100
Gold Standard (%)	87
Verra (%)	13
Share from projects within the EU (%)	0
Share of carbon credits that qualify as corresponding adjustments (%)	0

Given the long lifespan and the complexity of the projects in which Hermès is committed through the Livelihoods funds (from 10 to 20 years), it is not possible to communicate specifically the number of

credits whose cancellation is planned in the future. This information will therefore not be published in this report.

#### 2.1.2.1.11 Internal carbon pricing (E1-8)

As part of its transition plan, Hermès has decided to no longer use gas or any other fossil fuels as an energy source for any new industrial investments, unless this is proven technically impossible. Any investment decisions are guided by this intention. Moreover, Hermès has also defined an internal carbon price, making it possible to compare different pieces of equipment and different technical solutions (industrial, real estate, transport) in notional form. In order to set the most relevant amount for the House, the price was calculated on the basis of internal simulations and compared to a sectoral CDP benchmark. Set since 2021 at €40 per tonne of CO<sub>2</sub> equivalent, it may change according to economic conditions and its revaluation is subject to the assessment of the Sustainable Development Board.

#### 2.1.2.2 POLLUTION (ESRS E2)

Thanks to its craftsmanship model, Hermès stands out for pollution impacts that vary in materiality depending on the subjects and their positions along the value chain. This is even more true in relative value (see § 2.1.1.6). However, the métiers are working to control their risks in this area through the actions set out below.

##### 2.1.2.2.1 Description of the processes to identify and assess material pollution-related impacts, risks and opportunities (ESRS 2 IRO-1)

The process for performing the double materiality analysis and identifying impacts, risks and opportunities is set out in § 2.1.1.3 "Description of the processes to identify and assess material impacts, risks and opportunities" and § 2.1.1.4 "Group risk management framework".

As detailed in § 2.1.1.5 "Strategy, business model and value chain" and § 2.1.1.6 "Impacts, risks and opportunities and their interaction with strategy and business model", Hermès' sustainable development roadmap and business model include considerations related to pollution.

Hermès assessed the relative importance of pollution in its own activities and in its upstream and downstream value chain. The interface with nature in its own activities and upstream of its value chain takes place at the level of certain métiers and activities as specified below. In particular, the Group used the SBTN (Science Based Targets for nature) approach to identify sites at risk of pollution in its operations and upstream value chain (approach detailed in §

2.1.2.4). The Group has not identified any risk, opportunity or material impact relating to the issue of pollution and in connection with its customers. In addition, given its business model and throughout its value chain, the Group has not identified material impacts, risks or opportunities under the sub-topics "pollution of air", "pollution of living organisms and food resources" or "microplastics".

With regard to external stakeholders, the Dreaf (Regional Department for the Environment, Planning and Housing), which is responsible for these issues in France, was a key player whose voice was heard in this process. Due to the existence of discharge agreements with the operators of municipal treatment plants, the towns in which the industrial sites are located are also stakeholders whose opinions are sought on issues related to pollution (see § 2.1.3.3.1).

In Portugal, discussions take place with the Portuguese Environmental Agency (APA) and the Commission for Coordination and Development (CCDR). In Italy, the site has several "permits" relating in particular to emissions to water, air and safety in general. Ordinances are prescribed jointly by the local authority and the province. For the United States, the site also has municipal and State approvals. Lastly, in Australia, sites have an Environmental Permit Licence (EPL) and are required to periodically send the results of wastewater measurements to the authorities.

More broadly, in terms of controlling the risks of water and soil pollution related to the use of chemical products, and in particular for regulatory monitoring purposes, the Group works mainly with sectoral professional organisations, as described below:

- ◆ coordination of the Colbert Committee's "Chemical regulations" working group;
- ◆ participation in the "Regulations" working group of Francéclat (Porcelain, Silversmith), the BJOP (Jewellery, Silversmith);
- ◆ regulatory review at least once a year with the Leather Technical Committee, the French Institute of Textiles and Apparel, the Professional Chamber of Porcelain, Pottery and Earthenware, the French Union of Jewellery, Silversmiths, Stones and Pearls, the Glass and Crystal Federation and the Watchmaking Federation;
- ◆ taking into account the monitoring prepared by a specialised service provider (Bureau Veritas) on certain products;
- ◆ update twice a year, with all the House's subsidiaries, on the regulatory changes relating to products in each country. Any incidents are dealt within these meetings.

**ACTIVITIES WHERE POLLUTION IS MATERIAL (GROSS RISK) DUE TO THE EXISTENCE OF AN INTERFACE WITH NATURE**

Activity	Value chain	Materiality of water pollution	Materiality of soil pollution
Tannery	Own and upstream operations for certain suppliers in the upstream value chain	Yes	No
Textile	Own and upstream operations for certain suppliers in the upstream value chain	Yes	No
Cristalleries	Own operations	Yes	No
Manufactures de Métaux	Own operations	Yes	No
Farms	Own and upstream operations	Yes	Yes
Raw materials	Upstream agriculture	No	Yes

2

**2.1.2.2.2 Material impacts, risks and opportunities identified (ESRS E2 SBM-3)**

IRO title	Nature of IRO	Scope	Time horizon	Potentiality of impacts	Policy
<b>PLANET</b>					
<b>Environment</b>					
<b>Resource and waste management</b>					
6	Impact of aquatic pollutants from the Group's operations on workers' health and safety	Negative impact	Tanneries, Textiles, Crystal works, Metals, Farms	Short term	Potential
7	Impact of aquatic pollutants from the Group's operations on the environment	Negative impact	Tanneries, Textiles, Crystal works, Metals, Farms	Short term	Potential
8	Impact of soil pollution due to the Group's activities	Negative impact	Upstream value chain, Farms	Short term	Actual
9	Contribution to soil protection through support for supply chains	Positive impact	Upstream value chain, Farms	Long term	

**Impact of aquatic pollutants from the Group's operations on workers' health and safety:**

Hermès recognises the importance of managing chemical products, in particular Substances of Very High Concern, some of which may be aquatic pollutants, and present risks for the Group's workers when they are in use.

**Impact of aquatic pollutants from the Group's operations on the environment:**

These same chemicals, and more specifically Substances of Very High Concern, may have impacts on the environment when they are present in water discharges.

**Impact of soil pollution:**

The livestock activity on Hermès farms generates organic waste, which may have an impact on soil pollution which may impact soil pollution when this waste is used for irrigating surrounding crops. The raw materials supply chains can also have an impact on soil quality (livestock farming, cultivation, extraction).

**Positive contribution to soil protection through support for its supply chains**

Hermès can contribute to soil protection in its farms and upstream value chain by favouring, as part of its sourcing practices, materials from sustainable supply chains adopting virtuous agricultural practices.

**2.1.2.2.3 Policies related to pollution (E2-1)**

The environmental policy is part of the Group's sustainable development strategic framework. Under the responsibility of a member of the Executive Committee, the policies conducted by Hermès in terms of preventing and combating pollution aim to control and limit their impact on the environment, whether in terms of water, soil or air (even if the latter subject is less material). Hermès ensures the regulatory compliance of its products in all countries where it operates. The environmental policy also aims to prevent pollution-related incidents and emergencies in own operations. It implements the necessary actions to control and limit their impact on people and the environment if they occur.

In concrete terms, Hermès implements processes to manage the different types of pollutants within its operations. As the environmental impacts of tertiary activities and stores are not material, the Group's priority actions are focused on the industrial scope.

- ◆ Industrial water discharges: Hermès follows the destination of its water discharges in coordination with local water treatment systems and bodies, monitors quality parameters to ensure their environmental compliance and respect for the receiving environment<sup>(1)</sup> and implements procedures and technologies to constantly improve the reduction of polluting loads<sup>(2)</sup> and improve the quality of water discharges. This is reflected in the control of these water discharges through a policy of developing WWTPs (wastewater treatment plants) at site outlets, with additional loads in most cases then being treated by municipal WWTPs.
- ◆ Pollution of soil: the subject appears in particular in the Hermès value chain, it is not covered by the scope of this policy and is the subject of specific action programmes with the Group's suppliers, notably through certification. This subject is also covered by the SBTN approach (see § 2.1.2.2.4). For farms, the subject is taken into account as part of the suppliers' environmental plan.
- ◆ Management of chemical products and inflow materials: Hermès complies with the strictest international standards. The aim is to prevent chemical risks while prohibiting or limiting the use of substances of concern. Each Hermès site implements a procedure for managing chemical products and chemical risk, defining in particular the rules for the admission of chemical substances, inventory management procedures, methods of use of chemicals in processes and end-of-life of chemicals in accordance with applicable regulations. With regard to inflow materials, Hermès distributes a "Restricted Substances List" (RSL) to its suppliers, updated each year, which lists all the requirements in terms of substances, limits and laboratory control methods. Regular checks of the compliance of inflow materials and outflow products are carried out including tests, audits and blocking in the event of non-compliance.
- ◆ Air emissions excluding greenhouse gases: air emissions from manufacturing sites are related to the operation of furnaces, boilers, surface treatment activities, dry degreasing activities, spray booths, as well as the use of solvent-based products. Depending on the activity and regulations, manufacturing sites monitor the relevant parameters and set up systems to reduce or treat these discharges. It is important to note that the impacts and risks regarding air pollution are limited given the Group's activities (as specified in § 2.1.2.2.2).

In addition, Hermès' health and safety policy (see § 2.1.3.4.3) aims to protect the health of workers from potential risks related to the use of chemical substances in the workplace. In practical terms, it is based particularly on French and European regulations, which aim to control and protect human health and the environment against the risks related to chemicals by eliminating the most harmful substances and to guarantee that defined thresholds are not exceeded in finished products. The Group scrupulously complies with these regulations. When standards outside the EU are even more demanding, they are adopted.

In addition, to implement the Hermès policy for the management of the risks of water and soil pollution related to the use of chemical products operationally, the Group acts after having carried out a regulatory watch conducted by different players in order to validate the products from a regulatory point of view by:

- ◆ annually updating the "Restricted Substances List" (RSL) for inflow materials, taking into account all the results of the regulatory watch. This list includes compliance with the most stringent product regulations in the world, based on all countries to which Hermès exports products;
- ◆ testing all inflow materials and finished articles (in-house and/or externally), in qualified laboratories, on the technical criteria and in accordance with the standards described in the Group RSL.

In addition, Hermès has introduced preventive processes to limit or prohibit certain substances. These include discussing and signing with the supplier the product specifications, which contains all relevant regulations, technical requirements and control methods.

Lastly, with regard to the upstream value chain, in addition to the CSR brief shared with all partners, the Supplier code of conduct, the supply chain briefs and the responsible purchasing policy specify the Group's expectations with regard to its suppliers in terms of the fight against pollution. All of these policies are part of the Group's sustainable development strategic framework. In particular, in order to prevent and reduce impacts, the Group is implementing certification requirements and is also working with stakeholders in its value chain as part of the implementation of the SBTN approach.

1. *Receiving environment: aquatic ecosystem into which treated or untreated wastewater is discharged. A receiving environment generally corresponds to part of a body of water or an area of water supply.*
2. *Reduction of polluting loads: all techniques and processes applied to reduce the quantity or concentration of polluting substances in a given ecosystem.*

#### 2.1.2.2.4 Actions and resources related to pollution (E2-2)

##### Actions to avoid water and soil pollution, including actions for the gradual elimination of substances with negative impacts

###### OWN OPERATIONS

Hermès aims to go beyond the regulations in force in reducing the use of hazardous substances whenever possible. Most sites are subject to European regulations, which are some of the strictest in the world. The House's internal requirements, for its own operations, and the RSL, for suppliers, also impose limits that are sometimes stricter than the law. Each Hermès site implements a procedure for managing chemical products and chemical risk, defining in particular the rules for the admission of chemical substances (prohibition or restriction of certain substances, checking of safety data sheets), inventory management procedures, methods of use in processes and end-of-life of chemical products. The aim is to prevent the associated chemical risks while limiting or prohibiting the use of substances of concern. Regular audits are carried out by Hermès in all entities to ensure compliance with existing regulations in terms of chemical product management (in particular, REACH<sup>(1)</sup>).

The Hermès Group's RSL includes all substances that are or could be used in its products. For each substance, the most stringent regulations in the world are systematically adopted. The aim is to produce products that comply with regulations, regardless of the country in which they are sold. The Group's list of substances, the permitted limits, as well as the control standards are common to the production units and apply to the suppliers. Nevertheless, it is not made public in order to preserve the confidentiality of certain proprietary processes.

The regular and in-depth audits carried out by Hermès in all entities, as well as the appropriate frequency of checks on inflow materials and finished articles, ensure that any use of chemical substances banned by REACH-type regulations, for example in a French or European tannery, is immediately revealed.

The choice of chemical reduction and/or elimination projects is mainly based on an analysis of future regulatory changes. It is in this spirit that the Group conducts a very strict regulatory watch, both in France and abroad.

When a probable change in regulations is identified for a substance or a family of substances, an estimated decision schedule is drawn up in order to set out the work to be carried out and the timetable.

###### UPSTREAM VALUE CHAIN

Hermès has set up a third-party certification objective for each of its main purchasing supply chains, which also includes aspects related to the use of chemical products. The Group also relies on the savoir-faire of its suppliers, who themselves usually benefit from recognition such as the EcoVadis gold rating.

As stated above, the requirements are identical in the upstream value chain to those for own operations. More specifically, the RSL (which includes this regulation of substances) is shared with suppliers. The approval of products manufactured by suppliers follows exactly the same pattern as products manufactured by the Group. As an example, the Leather métier purchases hides from the Group's tanneries, but also some of its needs from external tanneries, with identical specifications regardless of the source. The main chemical risk management tool is the RSL. An accurate and exhaustive reflection of the most demanding regulations worldwide, it lists all the requirements in terms of substances, the limits set, and the corresponding laboratory control methods. The procedure begins with the sharing of this document with the supplier, then follows a formal agreement from the supplier, and it is completed by an approval check of the first products delivered. Lastly, checks are carried out at an appropriate frequency throughout the manufacturing phase.

For all Tier-1 supplier sites located in France and Europe, labour legislation requires a chemical risk analysis and the implementation of measures to protect workers. Regular audits verify that each entity is fully aware of the regulations to which it is subject, that the necessary means to comply with them are in place, and that regular checks make it possible to ensure that these methods are working. The national regulator also imposes a limit on chemical substances released into the air, effluents and soil. For the small number of suppliers further afield, mainly materials suppliers, regular audits are conducted to verify their regulatory compliance, in terms of health and safety, as well as the environment. In the event that local legislation does not exist or is insufficient, Hermès helps its suppliers to adopt and comply with European standards.

##### Actions to reduce water pollution complying with best available techniques implementation requirements

###### OWN OPERATIONS

As specified above, the Group controls its water discharges through the implementation of a system of installing wastewater treatment plants. To date, a total of 20 units use treatment techniques adapted to the nature of the discharges and the destination of the treated water.

- ◆ primary treatment or pre-treatment (mechanical operations; screening, filtering, settling, etc.) in order to eliminate suspended matter: 10 plants;
- ◆ secondary treatment (biological treatment – bacteria, or primary physico-chemical treatment – flocculation, settling, formation of primary sludge): 4 plants;
- ◆ tertiary treatment (with, for example, microfiltration, ultrafiltration, nanofiltration, reverse osmosis, filtration on granular media, infiltration-percolation, targeted treatment – nitrogen, chlorine disinfection, ozone, UV, dephosphatation, activated carbon): 6 plants;

1. REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals.

In specific cases and in order to achieve the water quality necessary for its reuse in production, plants using quaternary-type treatment may be installed.

Depending on the activity, regulations and agreements signed with the operators of municipal wastewater treatment plants, the manufacturing sites monitor various parameters (temperature, pH, suspended solids, etc.).

The activity sites (Tanneries, Textiles, Crystal, Metals, Farms) represent the entire issue of water quality preservation. They include their own wastewater treatment plants, including filter gardens. These plants treat 90% of the total quantity discharged by Hermès. As a reminder, the difference relates to water sent directly to municipal treatment plants as required by the authorities.

#### **FOCUS ON THE ACTIVITIES MOST AFFECTED IN TERMS OF WATER POLLUTION RISKS**

##### **Tannery**

Each tannery is equipped with an effluent treatment station and verifies that its industrial emissions comply with the applicable regulations. These points are systematically reviewed and audited as part of LWG (Leather Working Group) certifications. Regulatory inspection reports, as well as improvement projects, are submitted to the local authorities on a regular basis. As a reminder, the tanneries are solely located in France (six sites) and Italy (one site), and their stringent regulations are subject to frequent controls. In accordance with these regulations, the Group monitors, among other measures, the biological and chemical oxygen demands of its discharged water and ensures that they do not exceed the thresholds set by prefectoral orders. **To date, 100% of water is treated internally** and most of this water enters the municipal network for further treatment in the municipal stations. The discharges from a single tannery following treatment go directly into the natural environment in accordance with local regulations.

Overall, the Group is constantly monitoring scientific and regulatory developments in order to adapt the products it uses throughout the hide tanning process.

##### **Textile**

Three main sites making water withdrawals in the Textile division (representing more than 95% of the métier's water discharges) are subject to daily self-monitoring of effluents. To ensure the reliability of these data, audit and calibration plans are regularly implemented and monitored.

The AEI and Ateliers AS sites, whose effluents are treated by the municipal WWTP, are gradually being equipped with physical and physico-chemical pre-treatment plants that will improve the quality of the water discharged, while incorporating the possibility of reusing manufacturing water in processes.

##### **Crystal manufacturing**

The water discharged comes from acid effluent neutralisation plants, treatment plants by settling for suspended solids and a plant and mineral treatment for all flows:

Cristalleries Saint-Louis have implemented an innovative solution using the phyto-restoration technique to treat part of the discharged water. Requiring no input of energy or chemicals, the "Jardins de Saint-Louis" provide optimal water purification and their performance is superior to that of a traditional physico-chemical installation. This solution is based on a triple device of filtering basins:

- ◆ plant filters, reeds of the phragmites family, planted in peat, can trap suspended matter and nitrogenous pollution;
- ◆ mineral filters, surrounded by perennial herbaceous plants (miscanthus) then trap the soluble metal compounds by drainage; lastly,
- ◆ plantations of endemic species complete the device and integrate into the landscape.

Regular monitoring of the quality of these discharges following treatment demonstrates its effectiveness.

##### **Manufacture de Métaux**

Regarding the management of discharges to water, the production units specialising in the surface treatment of metals are adopting an ambitious "zero discharge" policy. To this end, their sites are equipped with stations incorporating ion exchange resins and evapo-concentrators, which recycle water in a closed circuit.

#### **ACHIEVEMENTS IN 2024**

##### **Tannery**

Work to modernise the wastewater treatment plants continued at Tanneries du Puy, Tannerie d'Annonay, Tannerie de Montereau, Mégisserie Jullien, Conceria de Cunéo and Tannerie Gal.

##### **Textile**

The wastewater treatment plant at Ateliers AS (located in Pierre-Bénite, France) was commissioned, and includes some water recycling to processes to reduce withdrawal. Modernisation of the effluent treatment equipment at Atelier d'Ennoblement d'Irigny (AEI) (France) was carried out.

##### **Manufacture de Métaux**

Maintenance and modernisation work was carried out at the Champigny-sur-Marne, Châtillon-le-Duc and Fundao treatment plants, including the partial reuse of treated water in other areas of the sites.

#### **Actions to reduce soil pollution on the farms and in the upstream value chain respecting the implementation requirements of the Best Available Techniques**

##### **Farms**

In Australia, part of the water discharged from livestock farming is reused through irrigation projects after undergoing physical pre-treatment. All of the agricultural water discharged by one of the farms is notably reused to irrigate sandalwood trees in partnership with Hermès Perfume and Beauty. In this way, in a few years, it will be possible to harvest the wood essence in a circular manner, as a raw material for their formulations.

Irrigation systems are also set up on other farms to produce fodder for local farmers or to irrigate sugar cane plantations on neighbouring agriculture farms in an industrial ecology scheme.

#### **Upstream value chain**

In accordance with its policy to reduce soil pollution in the upstream value chain, Hermès asks its suppliers to put the necessary actions in place to obtain specific certifications by sector. Some of these cover soil pollution; for more details, see § 2.1.2.5.

#### **Results of pollution avoidance and reduction actions**

No incident-related pollution was observed in 2024. Given that Hermès did not receive notice of any administrative non-compliance relating to pollution during this period, it is considered that the preventive actions put in place meet the desired objective.

The significant actions carried out by Hermès and presented above have therefore made it possible to achieve the target of zero non-compliance in 2024.

#### **2.1.2.2.5 Targets related to pollution (E2-3)**

In terms of pollution, Hermès is firmly committed to ensuring compliance with regulations in its operations and value chain and, as such, has not set any specific internal objectives.

Consequently, for discharges into water, soil pollution and their respective loads, as well as for Substances of Concern and Substances of Very High Concern, the Group is aiming for zero non-compliance at all sites, with local administration orders setting the thresholds on a site-by-site basis, in a context of very demanding regulations.

Furthermore, given its value chain, the objectives set for supply chain certification are reflected in pollution objectives. Some of these certifications cover soil pollution. For more details, see § 2.1.2.5.6. In addition, as part of the SBTN approach, the Group is working to identify targets relating to soil pollution (see § 2.1.2.4.4).

#### **2.1.2.2.6 Pollution of air, water and soil (E2-4)**

##### **Water pollution**

There are two types of pollutants discharged into the natural environment after the various treatments applied to the water discharges from Hermès' sites: chromium and compounds <sup>(1)</sup>, and phenols <sup>(2)</sup>. The total quantities discharged in 2024 were less than 1 tonne.

It should be noted that for all tanneries and farms, the compliance of water discharges is checked at a frequency that is often higher than

that required by the authorities and adapted to the monitored parameters and regulations: half-yearly, quarterly, daily or continuous measurements. The control samples are analysed on site or in approved external laboratories. The results of internal analyses are compared once or twice a year with those obtained by an independent and certified laboratory. In the event of a deviation from regulatory requirements, precautionary measures are immediately taken and actions are implemented to return within the defined parameters. All information is quickly transmitted to the authorities as well as to the managers of the wastewater treatment plants in urban areas, most of the time using dedicated IT platforms. No non-compliance was recorded in 2024.

The numerous modernisation programmes for treatment plants at Hermès sites and the integration of new environmental criteria in the design of its production facilities should lead to a reduction in pollutant emissions into the water in the coming years, despite the changes expected in the company's industrial capacities.

##### **Soil pollution**

As mentioned above, this subject is concentrated in the Group's value chain and is notably monitored and measured as part of the implementation of the SBTN approach (see § 2.1.2.2.4).

#### **2.1.2.2.7 Substances of concern and substances of very high concern (E2-5)**

The Group's activities sometimes require the use of substances on the list of substances of very high concern. These substances are either used as such or present as impurities in mixes. As already specified, for each substance, the most stringent regulations in the countries where the Group is present are systematically followed. Hermès also works to limit the use of certain substances and to replace them where possible and in accordance with applicable regulations.

Thus, when a substance is identified as of very high concern, an action plan is drawn up aimed at:

- ◆ carrying out an inventory of items/processes that may be affected and conducting analyses if necessary;
- ◆ seeking alternatives when possible, which may require medium- to long-term R&D actions (in-house or externally) and significant process changes that take a long time to implement.

1. CAS number: 7444-47-3 and Sandre number: 1389.

2. CAS number: 108-95-2 and Sandre number: 1440. Phenols measured and expressed as total C eq.

Substances of Very High Concern – SVHCs	2024
Total quantity of SVHC generated or used during production, or purchased (tonnes)	148
Total quantity of SVHC leaving facilities in the form of emissions, products, parts of products or services (tonnes)	0.9
Quantity of SVHC leaving facilities in the form of emissions (tonnes)	0.1
Quantity of SVHC leaving the facilities as parts of products (tonnes)	0.8

The data in the table above cover a list of 12 substances on the list of substances of very high concern. The total quantity of SVHCs was calculated as follows: for the material scope, Hermès carried out an inventory of the chemical products purchased in quantities of more than 100 kg per reference, per site and per year. On the basis of this inventory and the Safety Data Sheets (SDS) sent with these products, Hermès identified and calculated the quantity of SVHC contained in these chemical products. The values from the SDS are often expressed with uncertainty (high and low ranges). Hermès used the high range for its calculation.

#### 2.1.2.3 WATER AND MARINE RESOURCES (ESRS E3)

The control of water consumption, closely linked from an ecological and economic responsibility to the major global challenges faced today, is a goal shared by all the House's entities. Thanks to its craftsmanship model, Hermès stands out for its moderate consumption in absolute value. This is even more true in relative value. Water is barely used in the composition of products, other than in small quantities for perfumes and cosmetics. In addition, its consumption most often results from the evaporation of water or its presence in the sludge from treatment plants. In internal operations, the métiers are therefore working to control their respective withdrawals, through the actions detailed below.

##### 2.1.2.3.1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities (ESRS 2 IRO-1)

The process for performing the double materiality analysis and identifying impacts, risks and opportunities is set out in § 2.1.1.3 "Description of the processes to identify and assess material impacts, risks and opportunities" and § 2.1.1.4 "Group risk management framework".

As detailed in § 2.1.1.5 "Strategy, business model and value chain" and § 2.1.1.6 "Impacts, risks and opportunities and their interaction with strategy and business model", Hermès' sustainable development roadmap and business model include considerations related to water and marine resources.

Hermès assessed the relative importance of water and marine resources in its own activities and in its upstream and downstream value chain. In the specific case of this ESRS (European Sustainability Reporting Standard), non-material topics were identified:

- ◆ water discharges in the oceans: the risks related to this issue are considered low and not widespread. This limited nature is not compatible with the spirit of the regulatory texts. Consequently, it was deemed non-material;
- ◆ extraction and use of marine resources: Hermès does not use commodities related to marine resources such as gravel or deep-sea minerals. Moreover, this issue was identified as non-material by the study conducted as part of the SBTN (Science Based Targets Network) approach (see § 2.1.2.4.2).

In addition, on the "water discharge" sub-topic, it should be noted that the impacts, risks and opportunities related to this topic are dealt with in § 2.1.2.3.2, in the same way as freshwater-related topics. They are therefore considered in the materiality analysis under the topic "Preservation of air, water and soil quality".

The questionnaires to which the Group responds make it possible to understand a significant number of external stakeholders' expectations. These include the CDP Water Security questionnaire.

Furthermore, and as indicated above (see § 2.1.2.2.1), the Group holds discussions with many agencies: Dreal in France, AP and CCDR in Portugal, etc.

Hermès follows the requirements of all local authorities.

Additionally, in 2020, Hermès started discussions on this subject with WWF France (WorldWide Fund for Nature) as a non-governmental organisation (NGO). In this context, WWF France carried out a study based on the "Risk Filter" tool in order to supplement the risk analysis and enrich the action plans of the métiers.

Lastly, the World Resources Institute (WRI) has designed a tool called Aqueduct, which enables Hermès to update the level of water stress to which each of the Group's industrial sites is exposed each year.

2.1.2.3.2 Material impacts, risks and opportunities identified (ESRS 2 SBM-3)

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy
<strong>PLANET</strong>					
<strong>Environment</strong>					
<strong>Water and marine resources</strong>					
10	Impact on the environment from excessive pressure on water resources	Negative impact	Tanneries, Textiles Farms	Medium term	Potential
11	Impact on local communities from excessive pressure on water resources	Negative impact	Tanneries, Textiles, Farms	Medium term	Potential
12	Contribution to the protection of water resources in the value chain	Positive impact	Upstream value chain	Medium term	Environmental policy Responsible purchasing policy Supply chain brief

2

**Impact on the environment via excessive pressure on water resources:** in the event of excessive pressure, water resources can become scarce, impact the production of materials of natural origin and disrupt Hermès' business model. In this context, Hermès studies water withdrawal. Water is barely used in the composition of products, except for small quantities in perfumes and cosmetics.

**Impact on local communities via excessive pressure on water:** in the event of excessive pressure, conflicts of use (drinking, eating or production of materials) could occur between local communities, Hermès and its suppliers.

**Group contribution to the protection of water resources in the value chain:** given the efforts made by the Group in terms of responsible purchasing and the construction of supply chains that comply with the Group's requirements as described in the CSR brief, Hermès contributes to the protection of water resources in its upstream value chain.

**Assessment of the materiality of the subject "Water and marine resources", in own operations as well as upstream and downstream in the value chain**

**STAGES THAT USE WATER DEPENDING ON THE MÉTIER**

	Upstream	Own operations	Downstream
Leather	Livestock farming	Leather tanning	
Cashmere, Wool and fur	Livestock farming	Textile finishing and printing	Laundering of garments
Plant-based fibres	Cultivation of fibres		
Silk	Cultivation of mulberry trees		
Perfume and Beauty	Ingredient growing	Composition of products	

**UPSTREAM**

Upstream, given that Hermès' products are made of materials of essentially natural origin, water withdrawal and consumption are significant since they are necessary at various stages in order to produce these materials. In addition, climate change is an aggravating factor in terms of water availability.

To cover the issue of pressure on water withdrawal in the upstream value chain, the Group uses supply chain certifications. Some of them cover the subject of water resource conservation. For more details see § 2.1.2.5.6.

**OWN OPERATIONS**

Hermès sites draw water from natural environments and municipal water for their agricultural, industrial and sanitary uses. The volumes of water consumed are much lower than the volumes of water withdrawn since water is not used in the composition of the products.

Farms in the Precious Leathers métier, located in Australia and the United States, draw most of the water used by the Group for livestock farming purposes (agricultural water).

Behind these volumes, the other Hermès métier sites located in Europe, and more specifically in France, withdraw water for industrial use governed by strict legislation: it is used in material quantities in certain processes during the transformation of materials used in the manufacture of Hermès objects, whether for tanning, finishing or textile printing.

In addition to the use of the resource, the importance of this subject is also linked to the level of water stress in each region where the sites are located. This analysis is carried out each year for all of the Hermès Group's manufacturing sites and farms, using version 4.0 of the Aqueduct tool developed by the WRI (World Resources Institute) in 2023. The industrial sites where water is a material issue for the

environment and local communities have wastewater treatment plants, which in most cases include a water reuse project.

#### DOWNTSTREAM

Water withdrawals downstream of Hermès' operations are non-material given the type of products marketed and their respective shares in Hermès' revenue.

#### 2.1.2.3.3 Policies related to water and marine resources (E3-1)

Hermès operates within the strict framework of compliance with regulations, which, as a reminder, are very demanding in the countries where its production sites are located. In addition, to cover all material impacts, risks and opportunities, the environmental policy, developed with internal stakeholders, is part of the Group's sustainable development strategic framework and relates to the entire Group scope (own operations). In this context, the management of water, its treatment (see § 2.1.2.3), the prevention and reduction of pollution (see § 2.1.2.2) and lastly, the reduction of water withdrawal, are operational objectives for each métier and are applied to all sites (own operations). The Group industrial director, who reports directly to a member of the Executive Committee, coordinates water, industrial and agricultural issues. Objectives for this topic are validated and the achievements monitored by the Sustainable Development Committee. Each métier draws up action plans and presents the investment plans and resources required to achieve the Group's objectives to the industrial department. Major investments are approved by the Executive Committee, in particular the new wastewater treatment plants used to reduce the quantity of pollutants discharged and which, for the most recent facilities, enable the reuse of water and therefore reduce withdrawal. These investments are deemed to be a priority.

Hermès' environmental policy covers all sites and is committed to reducing material water withdrawals in all areas where the Group operates directly, including in at-risk areas. According to the experts who conducted the study described in the previous section, the sites located in water-stressed areas (during the year under study), mainly manufacturing sites, have low water withdrawal and consumption.

With regard to the upstream value chain (represented in § 2.1.1.5), in addition to the Supplier code of conduct, the responsible purchasing policy specifies the Group's expectations with regard to its suppliers in this area with the help of the supply chain briefs shared with all partners. The expectations listed in these documents incorporate the expectations of the Group's stakeholders whenever possible. The director responsible for coordinating the Group's direct purchasing, who reports to a member of the Executive Committee, leads work on water-related issues with the métiers and their materials suppliers in

the upstream value chain. Objectives for this topic are validated and achievements monitored by the Sustainable Development Board. Each métier draws up action plans and presents the resources required to achieve the Group's objectives to the direct purchasing coordination department.

#### 2.1.2.3.4 Actions and resources related to marine resources (E3-2)

As set out above, the Group has formalised a policy to reduce water withdrawals and subsequently encourage action plans adapted to industrial and agricultural uses, broken down by métier. These action plans are diverse and consist of actions to reduce water use through efficiency measures as well as actions to recover and reuse water in order to reduce withdrawal.

In line with these action plans, resources within own operations, whether financial or human, are not allocated as a priority to avoiding the use of water, an essential resource for the processes and well-being of the animals, however they are allocated to reducing withdrawal of the resource, in particular through efficiency measures and water recovery and reuse (see § 2.1.2.3.2). As an illustration of this approach, for certain sites in the textile sector, the reduction of water withdrawals is one of the criteria of the incentive scheme agreement (optional employee savings scheme that allows employees in France to participate in the results or performance of their company). In addition, an internal water price has been introduced with a notional price set at €1.5/m<sup>3</sup>. No resources are currently allocated to the restoration and regeneration of ecosystems and bodies of water.

The actions described below are those continued in 2024 at Group level, first for industrial uses, then for agricultural uses.

#### Industrial water

Water for industrial use is predominantly (86%) used in two métiers, Tanneries and Textiles. The total volume withdrawn at manufacturing sites worldwide corresponded to 627.8 megalitres in 2024, mainly in Europe.

#### BREAKDOWN OF INDUSTRIAL WATER WITHDRAWALS BY MÉTIER IN 2024

Métiers	Water withdrawal 2024 (%)
Tannery	57%
Textile	29%
Other <sup>1</sup>	14%

(1) Leather, Metal, Crystal, Logistics, Porcelain, Beyrand, Watch division, Bootmaker, Silversmith.

In general, the management of water resources is based on actions consisting of the monthly monitoring of withdrawals and consumption, the roll-out of preventive maintenance programmes at facilities, regular checks and calibrations of meters, the installation of new sub-meters and the rollout of employee awareness programmes. Significant discrepancies unrelated to production differences are analysed and verified in order to locate and repair any possible leaks.

Only one site using water for its industrial activity is located in an area of water stress<sup>(1)</sup>. Withdrawal there is low (2.6 megalitres in 2024) compared to other industrial sites and its consumption is estimated at nil. This site has the same objectives for reducing water withdrawals as the others, i.e. 5% per year in intensity.

#### TANNERIES

Hermès operates seven tanneries, six in France (Annonay, Le Puy-en-Velay, Vivoin, Montereau, Bellac and Chabris) and one in Italy.

Water withdrawals and effluent treatment are major issues for tanneries. Historically located close to rivers, they use this resource for the tanning, dyeing and hide finishing processes. Water from the division's tanneries comes 60% from watercourses and boreholes. The rest comes from municipal sources.

In accordance with the Group's commitments to reducing water withdrawals by 5% per year in terms of intensity, the tanneries have launched ambitious programmes to reduce water withdrawals, which result in the optimisation of the quantities of water used for each hide treatment process and the improvement of the measurement of withdrawals thanks to connected management tools. These programmes also include the modernisation of water treatment plants and, secondly, the development of approaches for reusing wastewater for certain process operations.

In 2024, construction work on the new treatment plant at the Tanneries du Puy continued and the first stages of treatment began. The objective of this work is to implement circular water management with the target of reusing most of the water.

In Annonay, a project to reuse water from the municipal wastewater treatment plant downstream of the site is currently being studied: it could also make it possible to achieve at least 60% water reuse. Discussions with the authorities are continuing, illustrating an example of an innovative project carried out in consultation with the Group's stakeholders.

For more details on circular water management, see § 2.1.2.5.

#### TEXTILES

Water is an essential element in the printing and finishing stages of fabrics, in particular for the transfer of colours to textiles. Most water needs are covered by borehole water, significantly limiting the use of drinking water for industrial processes.

All craftspeople in the Textile métier undertake actions aimed at reducing withdrawals through the use of five main levers: monitoring and management of meters, raising awareness among teams, optimising processes, changing and modifying machines to enable solutions that consume less and implementing recycling solutions.

For a number of years, solutions to reduce water withdrawal have been gradually rolled out:

- ◆ the SIEGL site has activated the reuse of water and thereby reduced its withdrawals;
- ◆ the Ateliers AS plant came into service in 2024;

For more details on circular water management, see § 2.1.2.5.

#### Agricultural water

Actions relating to the management of water for agricultural use relate to the Farms division, comprising an alligator farm and a hide inspection centre in the United States, as well as four crocodile farms and two hide processing and inspection facilities in Australia.

Water is essential for livestock farming. The regular renewal of pool water and the control of its temperature are essential to animal welfare, and make it possible to prevent the proliferation of bacteria as well as to control the quality of the hides.

#### Agricultural water withdrawal

2024

In megalitres	5,018
Number of farms	5

The farms are located as close as possible to the natural habitats of crocodilians, aquatic animals, in areas that are not subject to water stress.

The American farm exclusively uses borehole water from hot springs, which allows it to significantly limit its energy requirements. In addition, it maps and precisely measures the various uses of water in order to better characterise the water source and reduce the demand on this resource.

The water used in the sites of the Australian division comes mainly from boreholes, while the use of municipal sources is limited. The balance comes from the recovery of condensation water from a sugar cane production unit located near one of the farms: this is an innovative industrial circularity operation, exchanging hot condensation water from the sugar refinery for farm effluents to irrigate the sugar cane crops in line with an agreement with local farmers.

1. Four other sites are also located in water-stressed areas; they do not use water in their industrial processes; their consumption is presented in the table in section E3-4.

The water from the basins, mainly high in organic matter, is returned to the natural environment as far as possible for the irrigation of neighbouring crops, in compliance with local regulations: in Australia, part of the water discharged by farms is reused for irrigation purposes. The water from one of these farms is reused to irrigate a sandalwood plantation in collaboration with Hermès Perfume and Beauty. This circular project aims to make this farm a supplier of raw materials to other divisions within 15 years, as Hermès' perfumes use sandalwood essence in their formulation. On another farm, water is reused to irrigate a mixed plantation. Finally, actions are underway to recycle some of the wastewater on another farm in this division after treatment.

Lastly, a study is currently underway to identify actions that can be taken to reduce water use on farms while respecting animal welfare.

#### 2.1.2.3.5 Targets related to water and marine resources (E3-3)

The objectives relating to water resources are as follows:

##### Industrial water

For industrial sites, as water is not used in the composition of products, except in small quantities in the Perfume and Beauty métier, water consumption is the difference between the water withdrawn and the water discharged, i.e. water that is lost during the industrial process through evaporation and integration into the sludge associated with its treatment. Conversely, rain can increase the volumes discharged from open-air treatment plants.

The objectives are therefore to reduce withdrawal through three actions:

- ◆ continue the decoupling of industrial water withdrawal from business growth;
- ◆ reduce industrial water withdrawal by 5% per year in intensity ( $m^3/\text{€M}$  of revenue, at constant scope) on a voluntary basis over the period from 2018 to 2030, with increased attention on sites located in areas of water stress;
- ◆ implement a multi-stakeholder approach and build with external stakeholders (regional departments, municipalities or professional associations) strategies to optimise water management and the quality of discharges

This objective is relevant in view of the trajectory observed *a posteriori* over the last 10 years in terms of reducing the intensity of industrial water withdrawals per year. Given the increase in activity, an intensity objective is more relevant than an absolute value.

While suppliers are required to implement concrete measures to measure, control and limit their water consumption, particularly in areas with high water stress, no quantitative targets have yet been set.

##### Agricultural water

An objective will be set upon obtaining the results of the afore mentioned study and that underway as part of stage 3 of the Group's SBTN (Science Based Targets Network) commitment.

#### 2.1.2.3.6 Water consumption (E3-4)

Over the last 10 years, water withdrawals for industrial use (at constant scope) have decreased in intensity by 65.4%, thus confirming the performance of Hermès' trajectory in this area. This is the result of continued efforts to reduce water withdrawals on all the Group's manufacturing sites.

General data on the use of water resources	Industrial water	Agricultural water	Total
Water withdrawal (megalitres)	627.8	5,017.7	5,645.5
Water discharges (megalitres)	612.9	3,751.8	4,364.7
Water consumption (megalitres)	14.9	1,265.9	1,280.8
Water consumption in areas of water stress, including areas of high water stress <sup>(1)</sup> (megalitres)	1.3	0	1.3
Recycled water <sup>(2)</sup> (megalitres)	662.5	-	662.5
Reused water (megalitres)	-	907.8	907.8
Stored water (megalitres)	Not applicable	Not applicable	Not applicable
Change in water storage (megalitres)	Not applicable	Not applicable	Not applicable

2024

Water intensity ( $m^3$  of industrial water/million euros turnover)

41

1. Only four sites located in water-stressed areas have non-zero water consumption; nevertheless, consumption is low because these sites do not use water in their industrial processes, it is only used for sanitary purposes.
2. The use of recycled water replaces withdrawal. The same quantity of water can be recycled several times.

#### 2.1.2.4 BIODIVERSITY AND ECOSYSTEMS (ESRS E4)

Maintaining an environmental setting conducive to human life and the development of the Group's economic activities requires protection and respect for biodiversity. Hermès is working to protect biodiversity and ecosystems in its direct sphere of responsibility, in its extended sphere of influence, and through voluntary commitments reaching beyond its economic sphere of influence.

##### 2.1.2.4.1 Consideration of biodiversity and ecosystems in strategy and business model (E4-1)

Hermès recognises its dependence on natural ecosystems for the supply of essential raw materials for its products. Aware of the related risks, the Group proactively assesses and manages these risks, using the methods and tools described in the following section and based on science. The material biodiversity risk on the resilience of Hermès' strategy and business model lies in the supply of raw materials. This risk is fuelled by the degradation of biodiversity and the ecosystems supporting the Group's natural raw material chains. This risk is therefore closely linked to resources. The response tools are listed in § 2.1.2.4.3 and supplemented in § 2.1.2.5, in particular for tools and actions for the natural materials sectors. Hermès is thus striving to strengthen the resilience of its strategy and business model in the face of systemic, physical and transition risks associated with biodiversity and ecosystems.

Hermès assesses the impacts of its activities on biodiversity as well as the risks related to the erosion of biodiversity on its business model, in particular on its supply chains. The Group considers physical, systemic and transition risks. The House's approach is based on an operational strategy with four pillars (training its employees, working with the best experts, scientifically assessing the issues, and acting on ranked priorities). This strategy was validated by a panel of experts within the act4nature international initiative <sup>(1)</sup>, and taken up by the Business for Nature initiative <sup>(2)</sup>. It is based on two recognised scientific approaches. On the one hand, the Global Biodiversity Score (GBS), an impact measurement tool developed by CDC Biodiversité, and on the other hand, the five-step approach of Science Based Targets for nature (SBTN). Hermès is aligning its work

with the Kunming-Montreal Global Biodiversity Framework and the French National Biodiversity Strategy for 2030. In addition to the SBTN approach, the Group also selected a number of other frameworks based on their pragmatism, their scientific relevance and their visibility with the stakeholders concerned, such as those of the Taskforce On Nature-Related Financial Disclosures (TNFD). For more details, see § 2.1.2.4.3.

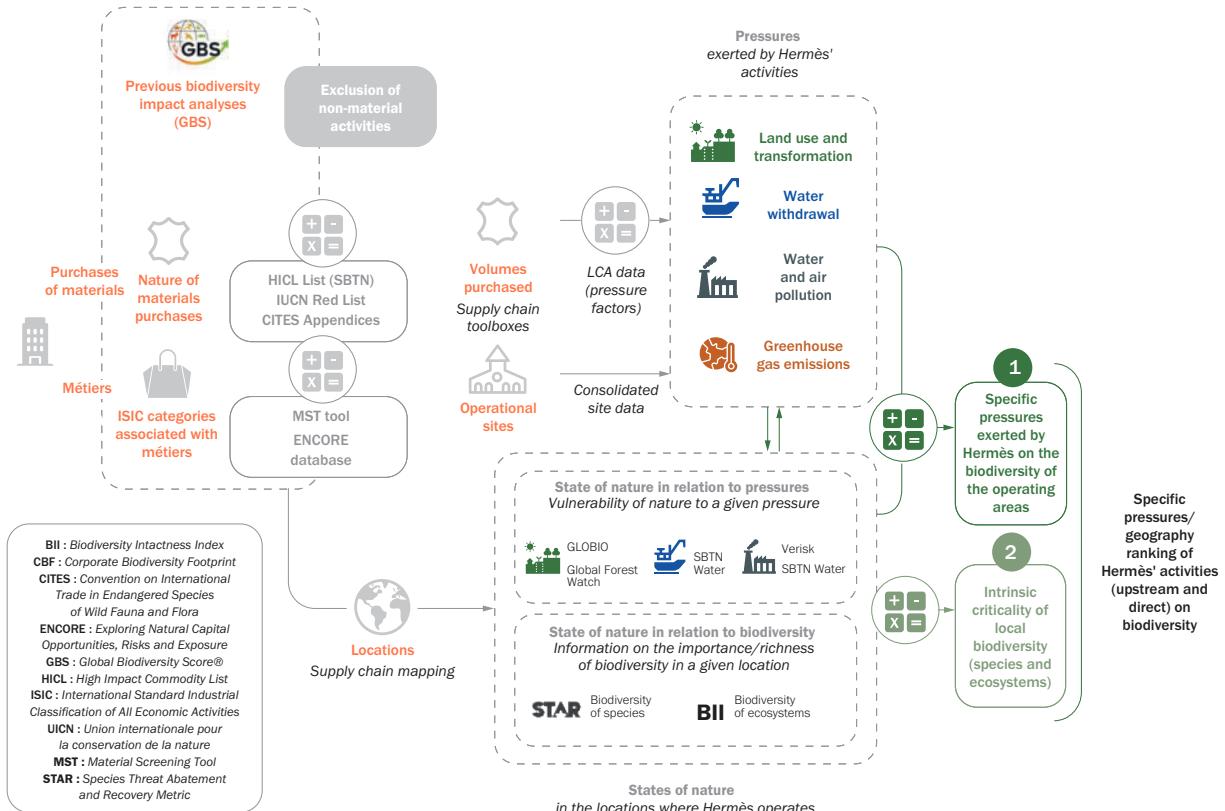
The Science-Based Targets Network was created in 2019 and brings together more than 50 organisations. This network defines five steps for setting Science Based Targets for Nature (SBTN), namely: (1) assess, (2) interpret and prioritise, (3) measure, set and disclose, (4) act, (5) track.

In 2023, Hermès joined the SBTN Corporate Engagement Programme and WWF France's Capital Lab Naturel with the aim of implementing the method across all of the Group's activities. In 2023, the Group applied the SBTN method to the first two steps for which the guidelines were available, with the help of its external partners. The Group is one of the pioneers on the subject of biodiversity by joining the first 130 companies that are officially applying this approach. The SBTN approach will eventually enable the Group to draw up a comprehensive nature transition plan using a scientific approach.

##### SBTN approach

Upstream of step 1, a preliminary scoping step made it possible to precisely define the scope of the study. In accordance with the expectations of the SBTN approach, the direct activities of the 16 Hermès métiers and, for the upstream supply chain, all raw materials supply chains, were taken into account in the analysis. The objective was to best cover these sectors and their specific features in step 1 (according to the availability of pressure and location data) and to have the most exhaustive vision of the impacts of Hermès' activities on nature. These impacts were grouped according to the pressures defined by the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services). The chart below presents a summary of the data and tools used by Hermès in steps 1 and 2, which are detailed in the following section.

1. <https://www.act4nature.com/en/>  
2. <https://www.businessfornature.org/>



### Steps 1 and 2 applied to Hermès

Step 1 of the SBTN is a step to assess the pressures exerted by companies on biodiversity, which is broken down into two sub-parts:

- ◆ (1A) identify the main pressures that the company is likely to have on nature, according to its sector of activity;
- ◆ (1B) estimate the pressures on nature and identify the geographical areas in which these pressures are particularly harmful with regard to the state of nature.

Hermès compiled the list of material pressures for Hermès' 16 métiers by cross-referencing information from the sector materiality tool (Materiality Screening Tool - MST) proposed by the SBTN. This exercise is supplemented by the ecosystem footprint measurements carried out by Hermès (GBS®, see § 2.1.2.4.2 below) and information provided by experts.

Step 2, which is highly technical, consisted of combining and interpreting the pressure and state-of-nature data modelled during step 1B in order to rank the priority sites and supply chains. This ranking will subsequently make it possible to set objectives for nature

based on science, pressure by pressure, on priority scopes (step 3 of the SBTN framework) and in accordance with the hierarchy, to avoid, reduce and possibly offset - or rather contribute positively to targeted ecosystems.

To complete its quantitative knowledge of its biodiversity and ecosystem issues, in 2021, Hermès measured its footprint using the Global Biodiversity Score tool<sup>(1)</sup> proposed by CDC Biodiversité (a subsidiary of Caisse des dépôts), implemented with the support of WWF France and based on field, financial and theoretical data, a pioneering initiative at the time. This biodiversity footprint measurement approach is part of Target 15 of the Kunming-Montreal Agreement. The work was updated and supplemented in 2024, with a significantly more comprehensive methodology<sup>(2)</sup> using, for example, Agribalyse and an updated version of EXIOBASE, through an in-depth analysis of the results for the leather goods activity, which had been assessed as representing more than 50% of the Group's dynamic land footprint. For leather and related sectors, 11 value chains and 10 specific livestock farming regions, as well as certain strategic wood and wool sectors, were studied.

1. [https://www.cdc-biodiversite.fr/publications/2024\\_dossier49-global-biodiversity-score-2023-update/](https://www.cdc-biodiversite.fr/publications/2024_dossier49-global-biodiversity-score-2023-update/)  
2. <https://www.cdc-biodiversite.fr/simplified-changelog-gbs/>

The GBS is a tool for assessing the biodiversity footprint of companies, which measures scientific results taken from observations, and not a quantification of actions that have been undertaken. The results are expressed in MSA.km<sup>2</sup>, where MSA is the average abundance of species (Mean Species Abundance), a metric characterising the integrity of ecosystems.

As described in the previous paragraphs, Hermès is also committed to market initiatives such as SBTN and act4nature and has made ambitious commitments and implemented concrete action plans, without having a formalised nature transition plan this year. Such formalisation will use the scientific bases that step 3 of SBTN should clarify.

#### **2.1.2.4.2 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3; E4.IRO-1)**

##### **Sites near biodiversity-sensitive areas**

Steps 1 and 2 of SBTN enabled Hermès to take into account, for its production sites, two state of nature indicators related to biodiversity, at the scales of species and of ecosystems. These two indicators reflect different dimensions of biodiversity and can therefore give significantly different results.

STAR is a tool developed by IBAT (alliance of Birdlife, UNEP, WCMC, Conservation International and IUCN) used to measure the potential reduction in the risk of species extinction that can be achieved at the company level. The metric used for this study is that of Threat Abatement (STAR-T), which highlights the regions for which actions in favour of biodiversity can have a significant impact on reducing the extinction of species. A high score indicates that the area contains a significant number of threatened species, a high proportion of endemic species or highly threatened species.

The Biodiversity Integrity Index (BII) developed by the British Natural History Museum assesses global biodiversity according to the abundance of species compared to their pre-industrial level. This index is used as an indicator of the state of the functional diversity of ecosystems, and therefore provides additional information to the species approach covered by STAR-T.

The values for the state of nature biodiversity metrics were obtained from the geographical coordinates of the Hermès sites and the maps available online for STAR-T and BII.

In accordance with the SBTN approach, the STAR-T and BII metrics were cross-referenced, using the most critical state of nature data for the sites. The critical data is the BII, with a precision of 1 km<sup>2</sup>, and results in the classification below. STAR-T is only used as an information unit on threatened species.

Hermès identifies and prioritises its sites in biodiversity-sensitive areas according to the list below. The list was defined using two rationalisation criteria:

- ◆ the strong integrity of the immediate ecosystem of the sites demonstrated by a BII > 0.9;
- ◆ the recommendation of the SBTN approach to present the top 10 sites ranked by the method described above.

For sites with the same BII value (0.87), the site with the highest START-T value was used. The total surface area of these sites is 1 km<sup>2</sup>. This study makes it possible to define two pilot sites for the third step of the SBTN approach, which involves consultation with local stakeholders and experts, particularly in the field of aquatic ecosystems. Hermès will thus be able to better understand local ecological thresholds and set objectives related to the sharing of natural resources, particularly with regard to freshwater.

Name	Country	State of nature value	Metric used
Production site 1	France	1.01	BII
Farm 1	United States	0.97	BII
Farm 2	Australia	0.95; 422	BII; STAR-T
Production site 2	France	0.95	BII
Production site 3	France	0.94	BII
Production site 4	France	0.94	BII
Production site 5	Switzerland	0.93	BII
Production site 6	France	0.92	BII
Production site 7	France	0.88	BII
Production site 8	Portugal	0.87	BII

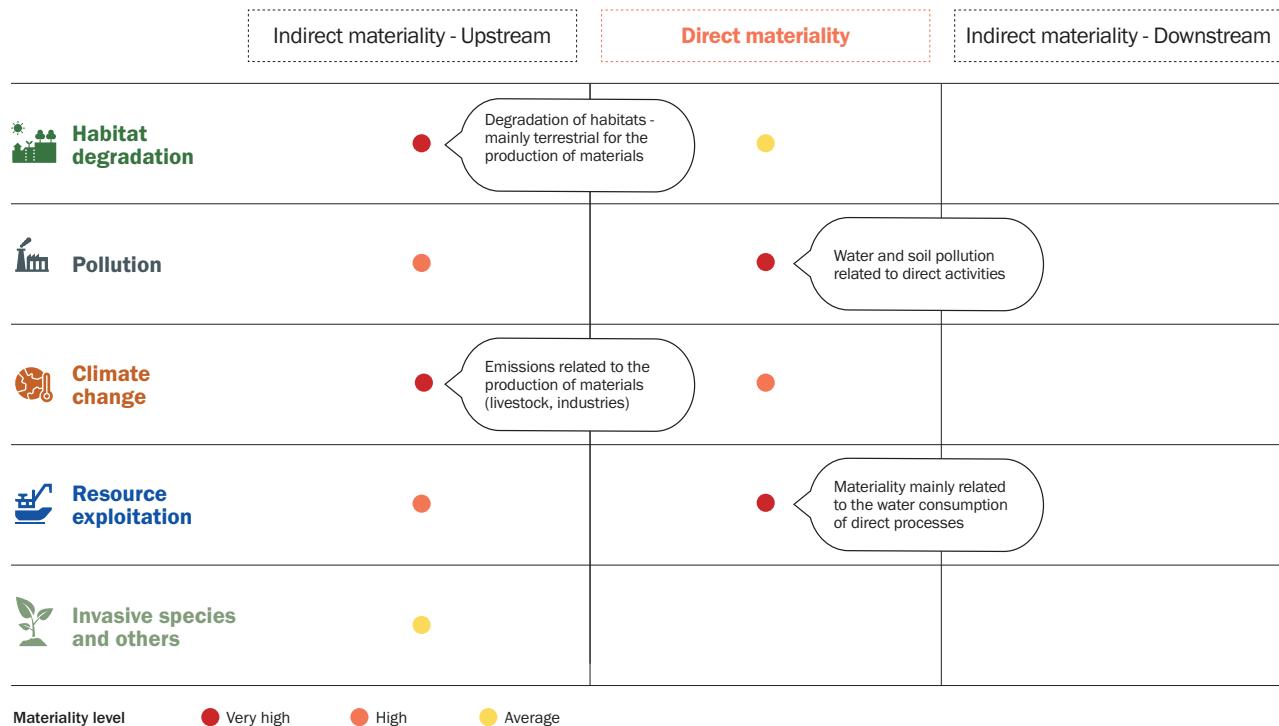
##### **Impact, risk and opportunity management**

Hermès used the SBTN method and the Global Biodiversity Score (GBS) tool to identify, rank and quantify significant negative impacts in relation to its direct operations and its value chain. Threatened species also fall under the scope of these assessments, as with the STAR-T analysis mentioned in the previous section. The impacts, risks and opportunities identified and the response provided are reported in table form with a description in the following section.

SBTN step 1 highlights issues located mainly upstream of the Hermès value chain, in particular in connection with the risks of degradation of habitats for the production of agricultural commodities (crops for textiles, food for livestock farming).

SUMMARY OF THE SECTOR MATERIALITY ASSESSMENT

(Source: *I care by BE*, 2023)

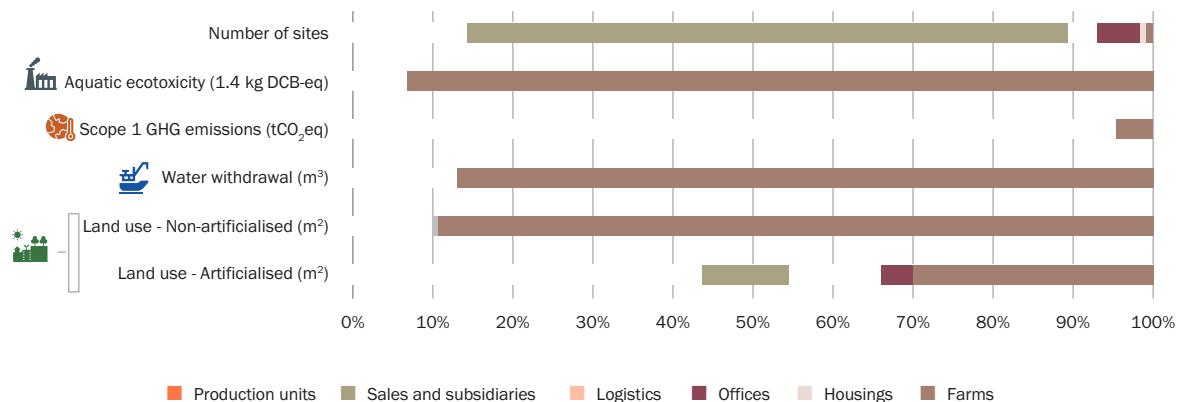


For all activities thus identified as material (i.e. all production unit, farm and logistics sites, as well as purchases of animal, plant-based, mineral and synthetic materials), pressures and the state of nature

were modelled using site reporting data, LCA data (Group or sector issues) and state of nature databases identified by SBTN (BII, STAR-T, Global Forest Watch, GLOBIOT, etc.), as in the tables described below.

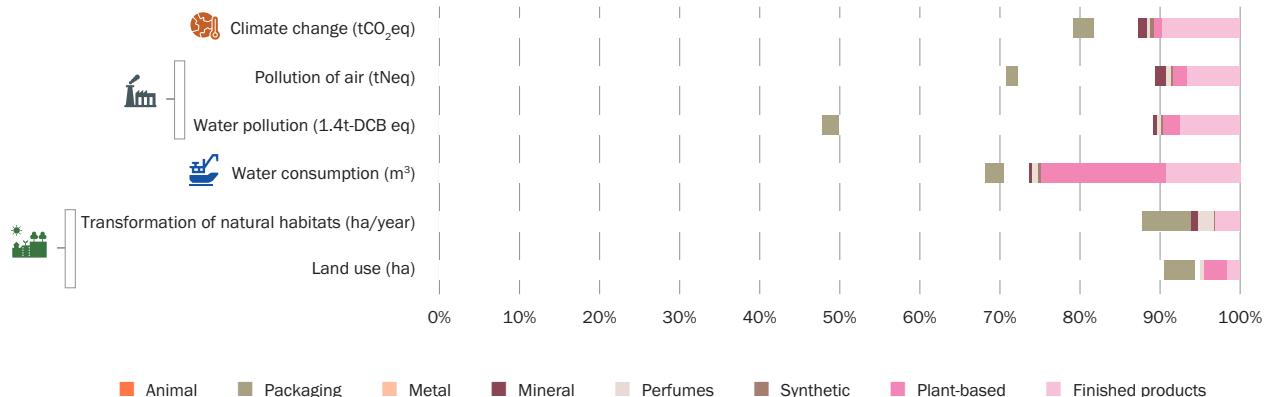
BREAKDOWN OF PRESSURES BY HERMÈS SITE CATEGORY

(Source: *I care by BE*, 2023)



**BREAKDOWN OF PRESSURES BY HERMÈS PURCHASING CATEGORY**

(Source: *I care by BE*, 2023)



Hermès' data was collected and processed for supply chains, company structure, site locations, sourcing practices, their location and previous analyses (internal toolbox and supply chain mapping) for use in the value chain assessment. Stakeholders were involved in step 2 through two workshops, each bringing together around 20 experts from the production sites and the value chain, as well as specialist teams from WWF France.

The GBS 2021 analysis of the Group's scope covered 92% of Hermès' revenue. The scope of the study covers scopes 1, 2 and 3 upstream (*i.e.* excluding the use phase). This scope is called the "Vertically Integrated Scope" by CDC Biodiversité.

Following this Group study, Hermès set itself the goal of deepening its knowledge of its biodiversity footprint through in-depth analysis of its main supply chains, to cover 80% of the Group's footprint, in revenue, by the end of 2026. At least half of the footprint is covered by in-depth analyses carried out in 2024 (hides for leather goods, wool and wood).

Hermès has chosen to steer the Group's actions and investments by focusing on the terrestrial dynamic impact, which reflects the annual deterioration. The majority of the footprint measured for Hermès is related to the upstream part of the value chain. The main pressures on land biodiversity are linked to land use (crops, livestock) and greenhouse gas emissions (scope 3 upstream), demonstrating a strong relationship between climate and biodiversity and guiding its supply chain actions. These analyses are also gradually used by the Group to refine its real estate development strategy, in addition to the criteria set by French (zero net artificialisation (ZAN)) and European (taxonomy) regulations.

Although calculations of the impact on biodiversity are still not widespread, initial comparisons suggest that Hermès' activity has a less intensive impact on biodiversity than that identified in the sector data shown in the chart below.

**BREAKDOWN OF HERMÈS TERRESTRIAL DYNAMIC IMPACT BY SCOPE**

Scope 1  
2%  
Scope 2  
3%

Scope 3  
95%

**BREAKDOWN BY MAJOR CATEGORIES**



Leather Goods & Saddlery  
**more than 50%** of the land  
dynamic footprint

95% pressure  
in the supply  
chain

Priority levers:  
animal feed  
and breeding

**LAND DYNAMIC IMPACT INTENSITY INDEX IN MSA.M<sup>2</sup>/€ (BASE 100)**

Vertically integrated scope

Hermès 16

Textiles and Leather (sector) 100

Chemicals (sector) 112

([www.cdc-biodiversite.fr/documentation-gbs/](http://www.cdc-biodiversite.fr/documentation-gbs/))

Main results of the Global Biodiversity Score (2021)

## MATERIAL IMPACTS, RISKS AND OPPORTUNITIES IDENTIFIED (E4.IRO 1)

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy
<b>PLANET</b>					
<b>Environment</b>					
<b>Biodiversity</b>					
14	Impact of the Group's direct activities on biodiversity and ecosystems	Negative impact	Direct operations	Long term	Actual
					Environmental policy Policies related to biodiversity and ecosystems Biodiversity and ecosystem protection policy for operating sites (Harmonie real estate standards)
15	Impact of the Group's value chain activities on biodiversity and ecosystems	Negative impact	Upstream value chain	Medium term	Actual
					Policies related to biodiversity and ecosystems Supply chain brief Forest policy
16	Impact of the Group's activity and its value chain on threatened species	Negative impact	Direct operations and value chain	Medium term	Actual
					Policies related to biodiversity and ecosystems Supply chain brief Forest policy
17	Impact on land use caused by value chain activities	Negative impact	Upstream value chain	Medium term	Actual
					Policies related to biodiversity and ecosystems Supply chain brief Forest policy
18	Risk to the supply of raw materials caused by the degradation of biodiversity	Risk	Upstream value chain	Long term	
					Policies related to biodiversity and ecosystems Responsible purchasing policy

**Risk to the supply of raw materials caused by the degradation of biodiversity**

The degradation of biodiversity represents a risk for the Group's raw materials supply. This degradation, which manifests itself in the loss of natural habitats, the reduction of genetic diversity and the alteration of ecosystems, can lead to major disruptions in the availability and quality of the natural resources required for the Group's activities. These disruptions can result in cost increases, supply chain disruptions and difficulties in sourcing natural raw materials. The Group incorporates these factors into its risk management, in particular through the diversification of supply sources, the assessment of suppliers according to environmental criteria and the implementation of biodiversity-related risk mitigation strategies, as mentioned in the introduction to § 2.1.2.4 and developed in § 2.1.2.5.

**Impacts of Hermès' activities on biodiversity and ecosystems**

Hermès' direct activities, as well as those of its value chain, have impacts on biodiversity and ecosystems. Industrial operations can lead to the degradation of natural habitats, the fragmentation of ecosystems and the pollution of soil, water and air, thus affecting local fauna and flora. In addition, the Group's value chain contributes to the pressure on biodiversity, in particular through intensive land use, including soil degradation, desertification and soil sealing, as well as overexploitation of natural resources and non-sustainable

agricultural practices. These impacts can increase the vulnerability of threatened species, disrupting ecological balances. The Group identifies each of these impacts through the results of the first two steps of the SBTN approach presented in § 2.1.2.4.1 and seeks to reduce these negative effects by adopting more sustainable practices, collaborating with its partners to improve environmental management throughout the value chain, and supporting initiatives to regenerate ecosystems and threatened species, as demonstrated by the examples in § 2.1.2.4.4.

**2.1.2.4.3 Policies related to biodiversity and ecosystems (E4-2)****Policies related to biodiversity and ecosystems**

To meet the current challenges regarding the loss of biodiversity, Hermès has made a concrete commitment with a strategy formalised in 2018 and updated in 2020 around four structuring elements: train, collaborate, assess and act. These commitments are part of global (Global Biodiversity Framework) and national (National Biodiversity Strategy for 2030) frameworks. Hermès' biodiversity policy aims to preserve and restore biodiversity in all its activities and value chain. It aims to anticipate and mitigate the upheavals related to the erosion of biodiversity, reduce the footprint of Hermès' activities to ensure sustainable use of nature, maintaining ecosystem services, in line with its partners such as those of the act4nature international initiative.

In this context, Hermès renewed its individual commitment to the act4nature international initiative in 2024. Act4nature international is an initiative led by business networks with scientific partners, environmental NGOs and public bodies. Its objective is to develop the mobilisation of companies in favour of biodiversity through pragmatic commitments supported by their Senior Executives. The strategy and the related objectives have therefore been validated by a committee of stakeholders from the governance<sup>(1)</sup> of this multi-stakeholder alliance (companies, public authorities, scientists and environmental associations).

The House's commitments are also based on the best methodologies and tools available, such as SBTN, and are summarised according to the following four strategic areas:

- ◆ train: this involves increasing internal biodiversity awareness-raising actions and training for all employees on biodiversity issues and strategy, with a particular focus on issues where the Company has action levers (from creation to purchasing real estate, for example);
- ◆ collaborate: the Group has renewed its partnership with WWF France until 2026 and works with other specialist NGOs and high-level players in the field of biodiversity. This collaborative approach is decisive in the development of transformative practices (quadripartite study in Mongolia with scientists, local farmers and Lab Capital Naturel on strong sustainability, etc.) and relies on the expertise of partners to contribute to the other three pillars of the biodiversity strategy. Hermès is always looking for new collaborations with stakeholders who are experts in these subjects;
- ◆ assess: thanks to double materiality and the application of steps 1 and 2 of the SBTN method, Hermès is building a robust impact analysis matrix based on the mapping of value chains. Measurement of the Group's biodiversity footprint, according to the five pressures of the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), allows the resulting priorities to be assessed;
- ◆ act: action plans proportional to the level of impact on all sites and raw materials supply chains must be carried out and be compatible with a science-based approach. At the same time, the Group is committed to continuing its positive actions beyond its area of direct responsibility.

Hermès aims to manage the material risks and impacts identified, in particular those related to the availability and quality of natural raw materials such as leather, silk and cashmere, and to develop opportunities to build innovative solutions respectful of ecosystems. By collaborating with NGOs such as WWF France and using robust assessment tools, Hermès proactively identifies and manages these risks, impacts and opportunities. The policy includes actions to assess and reduce these risks and impacts, using methodologies such as Science Based Targets for nature (SBTN) and measuring the biodiversity footprint according to the five pressures of the IPBES.

#### **The five drivers identified by the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES)**

Destruction and artificialisation of natural environments

Overexploitation of natural resources

Climate change

Pollution

Invasive alien species

2

This policy applies to all its activities, its upstream supply chain (suppliers of raw materials) and the distribution and use of its products downstream. Hermès also involves local communities in the implementation of this policy.

The implementation of the policy is supervised by the Executive Committee, which relies on the work of the Sustainable Development Board. For this highly complex subject, the Group surrounds itself with experts and uses specialist NGOs. Objectives and action plans are rolled out across the Company's various activities and functions, coordinated by the Group sustainable development department.

Hermès is aligned with the Kunming-Montreal Global Framework (global agreement for biodiversity under the Convention for Biological Diversity) and the French National Biodiversity Strategy for 2030. The Group also selected a number of other frameworks based on their pragmatism, their scientific relevance and their visibility with the stakeholders concerned: the Science Based Targets for nature, act4nature international and the Taskforce On Nature-Related Financial Disclosures (TNFD). Cross-reference tables are available in the dedicated section.

When developing its biodiversity policy, Hermès consulted and took into account the expectations and concerns of key stakeholders, in particular nature conservation organisations such as WWF France, recognised experts on the subject, such as CDC Biodiversité, and other organisations in its strategic natural raw materials sourcing areas (SAOBC, ICFA<sup>(2)</sup>), as well as certain key suppliers.

Hermès' commitment also covers the collective act4nature commitments, supplemented by individual targets for Hermès, as presented in § 2.1.2.4.5. These act4nature targets were validated by a set of stakeholders inherent in the governance of this multi-stakeholder alliance including not only companies, but also public authorities (OFB), scientists (FRB, IDRI, MNHN) and environmental NGOs and associations (IUCN France, Noé).

Hermès also strives to involve local communities in the implementation of its biodiversity policy. This includes consulting key stakeholders and addressing their expectations and concerns. By working with local organisations and integrating social consequences into its action plans, Hermès ensures that impacts on biodiversity are managed in a holistic, inclusive and long-term manner. For example, the project to eliminate invasive species in South Africa relies on cooperation between Hermès, a government organisation, a local NGO and biodiversity experts.

1. <https://www.act4nature.com/en/who-are-we/governance/>  
2. ICFA: International Crocodilian Farmers Association

Hermès implements actions to assess the impacts on biodiversity throughout its value chain. The mapping of value chains and the construction of an impact analysis matrix make it possible to monitor and manage these impacts in a transparent and effective manner. Hermès' commitment to sustainable sourcing (as detailed in § 2.1.2.5) is strengthened by partnerships with specialist NGOs and high-level players. The policy includes action plans proportional to the levels of impact on all sites and raw materials sectors, ensuring that supplies are sourced in a sustainable manner that respects ecosystems.

Hermès' biodiversity policy is publicly available on the Company's website. It is also communicated and explained to suppliers, subcontractors and other stakeholders involved in its implementation via briefs and appropriate communications to ensure a common understanding and ownership of the objectives and actions.

#### **Other specific biodiversity policies and practices**

##### **BIODIVERSITY AND ECOSYSTEM PROTECTION POLICY FOR OPERATING SITES**

The *Harmonie* standard is the Group's sustainable real estate policy, which covers operating sites. It was developed in 2016 and certified in November 2022 by the independent third-party verification body, Bureau Veritas. The *Harmonie* standard enables a more accurate measurement of environmental issues for all the House's construction, refurbishment and renovation projects. For real estate, it includes performance axes combining indicators and objectives: carbon footprint for alignment with the Group's trajectory, biodiversity with a trajectory towards zero degradation, local supply with a trajectory towards 100% local and indoor air quality with compliance with WHO (World Health Organization) thresholds.

In order to integrate the protection of biodiversity into the consideration of the establishment of future Leather Goods workshops, a guide listing best practices was drawn up in 2020 and included in the *Harmonie* standard. The following avoidance, reduction and restoration principles have been adopted: at plot level, ecological management of green space should be promoted. At the landscape level, the aim is to promote ecological connectivity of sites with their surrounding environment. The sustainable construction standards used for each new site project have therefore been enhanced and now enable architects and landscapers to best integrate this dimension into their projects.

##### **SUSTAINABLE AGRICULTURAL PRACTICES**

Hermès actively involves its value chain in sustainable agricultural practices by requiring certifications such as GOTS organic cotton or cotton from regenerative agriculture, thus promoting biodiversity and soil preservation. For more details, see § 2.1.2.5.6. The Company supports regenerative agriculture pilot projects with certain suppliers

to develop more environmentally-friendly practices. In collaboration with experts and specialist organisations, Hermès is supporting certain partners in implementing more sustainable methods. In addition, training and best practice programmes have been set up with the various supply chains. All these programmes have a long duration (three to 10 years) and will be detailed as their concrete results appear.

##### **POLICY ON OCEANS AND SEAS**

Hermès' activities relating to seas and oceans are not material. Consequently, Hermès has no specific policy on these subjects.

##### **GROUP POLICY RELATING TO FORESTS**

Hermès is aware of its role in maintaining forest ecosystem services. Hermès announced its Group Forests policy in 2023, which applies to all areas of procurement of a selection of materials that come directly or indirectly from forests, with potential impacts on these ecosystems and their management methods. Although materials from forests represent a small portion of its activity, the Group seeks to be exemplary, as evidenced by its maximum A rating on the Forest section of the CDP in 2024. The raw materials in question have been prioritised based on an analysis of the social and environmental risks to forests associated with their production, their weight in Hermès' chains and the Group's capacity for action.

Hermès has identified the following priority raw materials: cowhide, wood for the Home métier and production units, paper and cardboard for packaging used for Hermès objects, natural rubber, palm oil and derivatives, viscose and cellulose (textiles), and soy (animal feed).

Hermès has made a commitment, without waiting for the implementation of the European Regulation (EUDR<sup>(1)</sup>), to source from deforestation-free supply chains from the reference date of 31 December 2020, for raw materials used both in products and packaging by the entire Group. In concrete terms, Hermès is implementing a policy whose aims are for the raw materials purchased to be produced in a responsible manner, in line with the Group's commitments and respecting the following criteria:

- ◆ regulatory (including the legality of production and compliance with applicable laws in the country of production as well as international laws);
- ◆ environmental, such as "no deforestation, conversion or degradation of natural ecosystems", particularly in areas with high conservation value and high carbon stock;
- ◆ social and human rights, i.e. respect for the rights and health and safety of workers, farmers and smallholders, as well as recognition and respect of the rights of indigenous populations and local communities.

1. EUDR: European regulation against deforestation and forest degradation published.

#### 2.1.2.4.4 Actions and resources related to biodiversity and ecosystems (ESRS E4-3)

##### Hermès' actions and resources related to biodiversity and ecosystems

Hermès has implemented a set of key actions, listed below, to preserve biodiversity and ecosystems as part of its activities. The scope of these actions covers both the Group's production sites and its raw materials supply chain. The hierarchy of mitigation actions (avoid, reduce, restore) is favoured when this seems logical, as detailed in the following actions; these actions also cover, where relevant, the protection of threatened species.

To date, Hermès has not used quantitative voluntary offsets in favour of biodiversity in either its action plans or its targets.

Hermès integrates its stakeholders, foremost among them local communities and indigenous communities, to improve the environmental practices of its sectors, in particular for natural raw materials, through several initiatives and partnerships. Some examples will be provided in the following paragraphs: the Ostrich sector, in collaboration with the South African Ostrich Business Chamber; the crocodile sector, with egg collection practices; the bovine sector, with initiatives directly linked to cooperatives and breeders to improve the environmental profile of operations. These initiatives demonstrate Hermès' commitment to involving local stakeholders and improving environmental practices throughout its natural raw materials supply chains. They aim to protect ecosystems while promoting better livestock breeding and agricultural farming practices.

##### PRESERVING BIODIVERSITY ON OPERATING SITES

The location of production sites in rural areas means they are systematically involved in numerous initiatives to promote biodiversity. Tertiary or mixed-use sites also carry out actions.

In application of the principles of the Harmonie responsible real estate standards, any new industrial sites are subject to an impact study in order to avoid impacts in the first place, then to reduce them. This includes issues related to fauna and flora and the preservation of natural environments. As a reminder, most of the production sites are located in France, and are therefore subject to some of the strictest regulations in the world. The framework goes beyond these legal constraints.

For the establishment of new leather goods sites, Hermès now favours the reconversion of brownfield sites or wasteland whenever possible. For example, the Maroquinerie de Riom, inaugurated in 2024, is located on a former manufacturing site, while that of Guyenne is on a road construction aggregate site, and those of Louviers and Saint-Junien are also reconverted brownfield sites.

In 2024, the Group's leather goods workshops and other production sites in France were already assessed according to a biodiversity analysis with 16 metrics based on the five erosion drivers defined by IPBES. They aim to measure the pressure on biodiversity, by

integrating the impact of activities on the sites, the resulting state of the environment and the responses or corrective actions implemented. Avoidance, reduction and restoration of impacts are addressed. For example, avoidance, with a ban on the use of phytosanitary products and a reduction in the average mowing frequency per m<sup>2</sup> and per year, and restoration, with particular attention paid to the composition of green space, has also made it possible to detect several invasive alien species for which a specific treatment is being designed.

##### PRESERVING BIODIVERSITY IN THE UPSTREAM SUPPLY CHAIN

Hermès uses certifications and audits of its raw materials supply chains to protect biodiversity and ensure responsible sourcing. The Company requires its suppliers and its own production sites to prioritise the use of certified materials, such as FSC®<sup>(1)</sup>-certified timber and leather certified LWG, which contains 17 sections and more than 300 requirements, some of which relate to the impact on ecosystems such as wastewater, waste and chemical management. In order to ensure that these materials are sourced in a way that preserves natural ecosystems and biodiversity, Hermès also conducts regular audits and assessments of its suppliers to identify environmental (more specifically risks related to deforestation and biodiversity loss), social and ethics risks. The Company works closely with its suppliers to develop action plans to address identified risks and improve the sustainability of its supply chains. Actions specific to the management of supply chain resources, such as the supply chain brief, are described in more detail in § 2.1.2.5.

The partnership between Hermès and WWF France makes it possible to conduct annual field studies on issues relating to nature, in particular on the Group's natural materials sectors. In 2023, for example, Hermès concluded a study with an innovative and collaborative multi-stakeholder governance between WWF France, WWF Mongolia and the Mongolian University of Life and Sciences in order to analyse the cashmere sector in Mongolia on a macroeconomic level and assess its impact on nature. Local stakeholders (farmers, agro-specialists, traders) were consulted for this study. These conclusions are in line with the pilot solutions already implemented by Hermès with local partners and the association AVSF (*Agronomes et Vétérinaires sans Frontières*). The 2024 studies relate to the cashmere and silk value chains in China, and are conducted by WWF China and Donghua University in Shanghai. The cashmere study analyses the current conditions of the cashmere value chain in Inner Mongolia, focusing on ecological impacts, in particular biodiversity and nature, and discusses potential practices to make cashmere production more sustainable. The main objective of the silk study is to better understand the sustainability issues related to silk production in China, by analysing its impacts on biodiversity, water and climate in seven key regions, and to identify solutions, while taking into account changes in the regional industrial structure, with the transition of mulberry and silk "from east to west".

1. FSC: Forest Stewardship Council.

Crocodilians raised on farms mainly come from eggs collected from the wild in accordance with annual quotas set by local authorities. In Australia and the United States, various stakeholders, including local governments, landowners, hunters, and egg collectors, ensure the smooth running of this activity. The income generated by the collection of eggs helps to maintain the wetlands, thus contributing to biodiversity. CITES tags and collection permits finance conservation and research programmes. In Louisiana, farmers must reintroduce at least 5% of the farmed alligators into the wild. Alligator farming, reorganized by the Washington Convention, has made it possible to save the species and protect wetlands. The production sites play a key role in the preservation of species, biodiversity and the local economy, thanks to strong relationships with the authorities and landowners.

Hermès sources its ostrich hides in South Africa, in the Klein Karoo region, where a sustainable mixed farming-livestock model is based on controlled irrigation. This model, which is resilient to climate change, is threatened by invasive trees (Black Wattle, Poplar), which dry up watercourses and destroy natural biodiversity. Faced with this national issue in South Africa, the Government of the Western Cape is funding a farmers' association in its fight against these invasive species, under the oversight of the Cape Nature association. Hermès has decided to support these actions to preserve the Ostrich sector. The project covers 25 km of river, with work having been carried out on 11 km at the end of 2024, and includes a trial of assisted regeneration of ecosystems, which will be a pilot project at national level.

Three main topics were activated in the fight against deforestation: land use for animal feed, use of wood species for Hermès Maison objects and use of cardboard/paper in packaging. The GBS analysis of the land biodiversity footprint of leather at Hermès made it possible to characterise more scientifically the relative weight of cattle feed. Even in absolute terms, the share of imported soybeans in European livestock feed is low, and the implementation of European regulations for feed suppliers should significantly reduce the risks. By requiring certified wood, Hermès ensures that wood from forests is sourced with greater consideration for biodiversity, while maintaining the quality of water and ensuring soil erosion is reduced. The House conducts a biannual assessment of its suppliers taking into account the vulnerability identified by the IUCN. In 2023, analysis of the portfolio with a critical review of the vulnerability of species and country risk was carried out by Hermès Maison with the help of an independent firm, and with the support of WWF France. As a reminder, in stores, 100% of the orange bags, *i.e.* the bags distributed to customers, are FSC®<sup>(1)</sup>-certified. The cardboard of the emblematic orange boxes is made of 100% recycled material.

Furthermore, in the various Hermès métiers, the identifying of geographies, sub-geographies, including the GPS coordinates of forestry operations used for the manufacture of wooden objects and furniture, makes it possible to strengthen the demand for FSC®

certification or, failing that, PEFC or other local certifications incorporating a zero deforestation policy. 90% of Hermès Métiers' woods are certified, compared with 50% in 2022. To ensure proper use of the material, production waste is classified according to its end-of-life.

#### 2.1.2.4.5 Targets related to biodiversity and ecosystems (E4-4)

Hermès has been providing its stakeholders with a review of the Group's biodiversity objectives since 2018, in particular with its commitment to act4nature<sup>(2)</sup>. During the last cycle with act4nature, which was completed in 2023, four targets were achieved: training of CEOs, experts & sustainable development committees, certification of the entire Ostrich sector (reached since 2021 and renewed), assessment of freshwater at industrial sites (reached and renewed) and analysis of the use of single-use plastics in central functions and operations (reached in 2022).

As part of its act4nature international commitment, signed in 2024, the objectives set out below have been validated by the stakeholders. Only the targets of the Forests policy followed a separate validation process.

To guarantee the effectiveness of its biodiversity policies, the Group uses specific targets, defined according to quantifiable criteria and reassessed each year. They are monitored by the Group's sustainable development department. The development of these targets is based on several sources: scientific studies (WWF France), analyses of the impact of operations and the value chain (SBTN), consultations with stakeholders (act4nature), external expertise and Hermès' goals in terms of protecting biodiversity and ecosystems. Furthermore, the methodology for identifying ecological thresholds continues with step 3 of the SBTN approach. Each target takes into account its scope, the mitigation hierarchy, as well as the impacts and risks identified.

#### Pillar 1 - TRAIN

##### Train employees in biodiversity by 2026

(scope: Group)

Hermès is committed to training all its employees on the subject of biodiversity. A training plan, which can be followed as e-learning or face-to-face, has been in place since 2021. The aim is for each employee to have completed at least one training course on this subject by the end of 2026.

The dissemination of knowledge of biodiversity issues is key to promoting decision-making and the achievement of ambitious results. In addition to the assessment presented to act4nature international, the training continues with a cycle being rolled out for governing bodies (Executive Committee and Supervisory Board), a panel of educational tools to train experts (including external tools) and e-learning and conference cycles to reach all employees.

1. FSC: Forest Stewardship Council. Hermès Licence Number: FSC® N-004541.

2. <https://www.act4nature.com/wp-content/uploads/2024/09/HERMES-VA.pdf>.

## Pillar 2 - COLLABORATE

### Participate in three biodiversity projects per year

(scope: Group)

Hermès plans to collaborate with various stakeholders on biodiversity projects. These projects will involve various functions within the Company, other than the sustainable development department, and will involve partners such as WWF France, CDC Biodiversité, ICFA and SAOBC. The objective is to participate in at least three projects per year until the end of 2026.

### Conduct technical and scientific studies on biodiversity

(scope: direct operations and value chain)

Hermès is committed to conducting technical and scientific studies to better understand the biodiversity issues related to its activities and sectors. These studies will be carried out in collaboration with academic partners, with the aim of conducting at least two studies per year until the end of 2026.

## Pillar 3 - ASSESS

### Implement the strong SBTN sustainability tool before 2026

(scope: Group)

Hermès will implement the strong SBTN sustainability tool as part of WWF France's Lab Capital Naturel. The objective is to finalize step 3 of the SBTN by the end of 2026.

### Measure the biodiversity footprint using the Global Biodiversity Score approach

(scope: direct operations and supply chains)

Hermès will measure the biodiversity footprint of its supply chains (leather, silk, cashmere, wood, cotton) using the Global Biodiversity Score (GBS) approach. The objective is to cover 80% of the Group's 2021 footprint by the end of 2026.

## Pillar 4 - ACT

### Establish diagnostics and biodiversity action plans for French production sites

(scope: own operations; mitigation hierarchy: avoid and reduce)

Hermès is committed to preparing diagnostics and biodiversity action plans for its production sites in France, representing 10 métiers. All French production sites must participate in the diagnostic launched in 2021, with full participation by the end of 2026.

### Obtain certification and/or award of label status for its raw materials sectors

(scope: supply chains; mitigation hierarchy: avoid and reduce)

Hermès aims to certify or be awarded label status for its raw materials sectors as included in the "supply chain briefs". For more details, see § 2.1.2.5.6.

## Targets of the Group Forest Policy

(scope: value chain; mitigation hierarchy: avoid and reduce)

By 2025, Hermès will make its best efforts to adopt the appropriate measures for priority raw materials to source from supply chains without deforestation from the reference date of 31 December 2020. This covers raw materials used both in products and packaging by the entire Hermès Group. Hermès will continue its duty of vigilance and will ensure respect for the human rights of players in its supply chains; it will also strengthen the sustainability (environmental and societal) of its raw materials and related activities.

By 2030, Hermès aims to broaden the scope of its actions to include other "secondary" raw materials in its portfolio, such as certain perfume ingredients or particle boards, and to explore investment opportunities beyond its supply chains to accelerate sector transitions and conservation and restoration projects at landscape and/or jurisdiction scale. The decision as to whether or not these investments will be made will rest with Hermès.

These commitments show Hermès' desire to train, collaborate, assess and act in favour of biodiversity, with clear and measurable objectives for the short and medium terms.

### 2.1.2.4.6 Impact metrics related to biodiversity and ecosystems change (E4-5)

As part of its approach to assessing and monitoring environmental impacts, Hermès relies on a set of precise metrics, integrated into the various steps of the SBTN framework and its own analysis tools. These indicators make it possible to measure and prioritise actions in favour of biodiversity and the reduction of pressure on ecosystems. The metrics are classified according to their use:

- ◆ metrics used for steps 1 and 2 of the SBTN such as N-Eutrophication (t Neq), P-Eutrophication (t Peq), Land Occupation (ha), BII (%), State of Nature for Water (scale from 1 to 5);
- ◆ GBS (dynamic land footprint) metrics in MSA.km<sup>2</sup>;
- ◆ CBS metrics (biotope coefficient by surface area) for the biodiversity pillar of the Hermès Harmonie standard;
- ◆ site biodiversity diagnostic metrics such as the average frequency of mowing per year, the volume of phytosanitary products used or the number of invasive alien species detected on site.

### 2.1.2.5 RESOURCE USE AND CIRCULAR ECONOMY (ESRS E5)

### 2.1.2.5.1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities (ESRS 2 IRO-1)

The process for performing the double materiality analysis and identifying impacts, risks and opportunities is set out in § 2.1.1.3 "Description of the processes to identify and assess material impacts, risks and opportunities" and § 2.1.1.4 "Group risk management framework".

As detailed in § 2.1.1.5 on strategy, the business model and value chain, as well as § 2.1.1.6 on impacts, risks and opportunities and their interaction with strategy and the business model, Hermès' sustainable development roadmap and business model take into account elements relating to the circular economy.

Hermès assessed the relative importance of the use of resources and the circular economy in its own activities and in its upstream and downstream value chain. In the specific case of this ESRS, no non-material subjects were identified.

More specifically, Hermès objects are essentially made of emblematic materials - leather, silk, cashmere, etc. - which are natural, partly renewable and obtained with the aim of minimising their environmental footprint. Hermès carries out an in-depth analysis of its supply chains, based on internal studies and field audits, in order to

identify actual and potential risks, impacts and opportunities related to resources and the circular economy.

Consultations with affected communities that may be required are presented in § 2.1.3.3.

The model and values of craftsmanship guiding the House have always promoted the careful and respectful use of these rare and precious materials. Craftspeople take great care not to waste resources, to use only what they need and to optimise the use of materials. Recycled and reused materials are increasingly used in manufacturing. In all métiers, recovery channels are also identified for their materials and manufacturing offcuts, in addition to the emblematic activities of petit h, a pioneer in this area since 2010.

The long life of Hermès products is an essential component of its business model.

#### 2.1.2.5.2 Material impacts, risks and opportunities (ESRS 2 SBM-3)

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy
<b>PLANET</b>					
<b>Environment</b>					
<b>Resource and waste management</b>					
13	Environmental impact of the Group's non-recovered waste	Negative impact	Direct operations	Medium term	Actual  Environmental policy Circular economy policy described in the Sustainability report
<b>Materials</b>					
<b>Sustainable materials</b>					
19	Group contribution to the dissemination of circular economy practices	Positive impact	Emblematic materials of each Group métier and packaging	Medium term	Actual  Supply chain brief CSR brief Circular economy policy described in the Sustainability report
20	Risk of additional costs related to the circular economy and eco-design	Risk		Medium term	Circular economy policy described in the Sustainability report
<b>Responsible supply chain</b>					
21	Impact of the Group's supplies on natural resources	Negative impact	The Group's emblematic materials and packaging	Medium term	Potential  Responsible purchasing policy Supply chain brief CSR brief

#### Impact of the Group's supplies on natural resources

The materials used for the direct manufacture of Hermès objects come from natural resources (in particular, leather, silk and cashmere). The Group's activities, and more specifically supplies of these materials, therefore have an impact on the availability and use of these resources <sup>(1)</sup>.

#### Risk of additional costs related to the circular economy and eco-design

The search for alternative materials, the performance of life cycle analyses, or the optimised management of waste through reuse or recycling operations can generate additional costs, additionally because the House does not wish to compromise on the quality and durability of the objects. These costs are anticipated and borne by the Group as part of its circular economy approach.

1. *The natural resources, including biological matter, indirectly used for the manufacture of Hermès objects, in particular those considered as by-products, are excluded from the scope defined in the context of this impact.*

#### **Group's contribution to the dissemination of circular economy practices**

Hermès is committed to reducing its impact at all stages of the life cycle of objects, through innovation and the implementation of circularity loops. These practices are shared with Hermès' partners through the responsible purchasing policy and supply chain briefs. Hermès also participates in inter-company working groups in order to share and make progress on these subjects.

#### **Environmental impact of the Group's non-recovered waste**

The Hermès Group's activities generate waste during products manufacturing. Sources of waste include manufacturing offcuts, materials and components or prototypes. Some of this waste is not recovered and can impact the environment, in particular ecosystems,

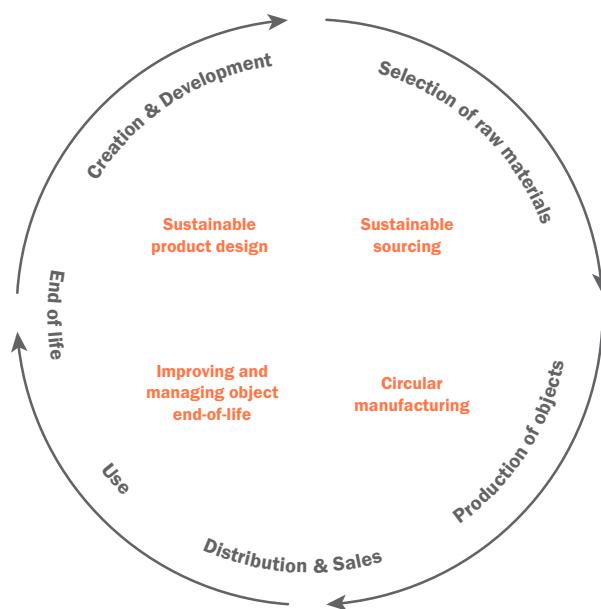
by contributing to pollution. Whenever waste cannot be recovered virtuously (reuse, donation or recycling), the Group endeavours to send this final waste to the most efficient systems, such as energy recovery.

#### **2.1.2.5.3 Policies related to resource use and circular economy (E5-1)**

Hermès' circular approach follows the principle of the 9Rs<sup>(1)</sup>, a system proposed by the European Union. It begins with the design of the object, seeking to minimise its impact on the environment through optimised use of resources: reuse materials, integrate recycled materials, propose refillable products. It applies to all of the House's products, is gradually being rolled out to its suppliers and, whenever possible, incorporates the expectations of the House's stakeholders.

2

Hermès' circular economy policy is structured around four axes:



1. <https://grow-circular.eu/knowledge-base/9r-framework/>: rethink, reduce, reuse, repair, refurbish, remanufacture, repurpose, recycle, recover.

### Designing long-lasting objects

As a creative house, Hermès is committed to using innovation and eco-design to ensure the sustainability of its objects. The Group is committed to going even further in terms of eco-design, and to minimising the environmental footprint of products throughout their life cycle, without compromising their qualities. To identify and model the impact for each object, the Group relies on analysis and decision-making tools such as life cycle analyses (LCA). Hermès contributes to the search for innovative materials, according to strict and constant specifications, by exploring both traditional and new materials. The end of life of objects is taken into account from the design phase.

While the quality of raw materials and the excellence of manufacturing guarantee physical durability, the quality of the creation and the often timeless nature of the collections guarantee the desirability of the objects and therefore the emotional durability, thus extending the duration of use.

The long life and quality of Hermès objects are characteristics that contribute to a circular model. These requirements are based on exceptional materials, generally from virgin resources. Nevertheless, whenever possible, the House of Hermès uses secondary materials that can meet these same requirements. The use of materials from the circular economy is studied while taking into account the additional costs and quality impacts that it generates.

### Ensuring sustainable sourcing

Most of the materials used by Hermès come from natural and partly renewable sources, such as hides from farmed animals, main textiles and wood. The House's historical preference for leather and natural fibres avoids the use of synthetic and non-renewable resources based on petroleum. The quality of the raw materials used is the first guarantee of the durability of Hermès objects.

The sustainability of Hermès' activities is based on its ability to secure the availability of the exceptional raw materials used.

The Group's circular economy policy relies in particular on in-depth knowledge of its supply chains, in order to strengthen them with stringent requirements to ensure their sustainability, quality, ethics and environmental and societal sensitivity, and to develop them to anticipate future growth. This approach is based firstly on compliance with the regulations concerning the various materials. These include, in particular, legislative provisions ensuring compliance with the Washington Convention (CITES). The Group must also comply with health regulations (hides from cattle and sheep that were raised for meat) and regulations on animal welfare.

In December 2024, Hermès published<sup>(1)</sup> its responsible purchasing policy, formalising the Group's commitments on four pillars: ethics and fundamental rights, environment, sustainable relationships with partners, solidarity and local purchasing. Hermès expects all its partners to demonstrate similar respect and ambition within their own value chains.

Moreover, management of risks related to the supply chains and resources, is achieved through the implementation of a supply chain brief and a CSR brief to enable the entire value chain to be controlled, and co-construction of sustainable development action plans. These documents are intended for all suppliers and manufacturers involved in supplying Hermès' métiers. All of these documents are available on the Group's website and are updated regularly in accordance with risk analyses.

The supply chain brief is a Group roadmap, co-constructed by the métiers, the sustainable development department, direct purchasing coordination department and with the support of an expert independent firm. It allows Hermès to share with suppliers its ethics and sustainable requirements and those relating to the protection of people, animals and the environment. The brief reminds suppliers of the four principles of responsible purchasing: transparency, high standards, a caring attitude and fairness. This supply chain brief then presents, for each supply chain, the prerequisites and recommendations for certifications, where applicable, the points requiring particular attention and those that are prohibitive. The latest version was published in December 2024<sup>(2)</sup>.

The CSR brief is a policy that has been formalised since 2021, which specifies the House's objectives and its expectations vis-à-vis suppliers on nine themes, including circularity. Supplier audits are thereby conducted using internal resources as well as independent external firms in order, notably, to check that their operations meet the Group's expectations.

### Promoting circular manufacturing

The House's ambition is to make the circularity of resources systematic, within the métiers and between métiers. Building on its craftsmanship model, Hermès has adhered to the non-exhaustive principles of repurposing, reuse, repair and recycling since its creation.

As an example, the emblematic agendas were designed to use materials from saddle manufacturing in the 1930s. Today, the aim is to continue along this path as much as possible by leading more systematic recycling projects for all materials and upcycling objects, while also addressing the issue of packaging.

Hermès optimises the use of materials through its production methods. Purchases are adjusted as closely as possible to the needs in order to limit waste. Examples of concrete actions are detailed in § 2.1.2.5.5.

In the tradition of saddler craftspeople, the techniques used to make Hermès objects prioritise long-term quality. The integrated craftsmanship approach ensures close proximity between buyers and craftspeople. Each métier works to constantly improve the use of these rare and precious materials, consuming only what is necessary and encouraging reuse.

1. <https://finance.hermes.com/en/publications/>

2. <https://finance.hermes.com/en/publications/>

In an effort to preserve natural resources, the manufacturing processes seek to reduce water consumption and promote its reuse and recycling (see § 2.1.2.3.3).

The circularity of manufacturing is also reflected in the management of containers, packaging and waste, with a view to their minimisation and recycling.

Lastly, Hermès also strives to minimise its waste and promote circularity, through various actions, in particular as presented in § 2.1.2.5.5.

#### **Improving and managing object end-of-life**

The Hermès business model, based on the stores' freedom to purchase as close as possible to their customers, means unsold stock volumes are naturally very low. Hermès is pursuing a strategy of improving the management of its unsold items through three areas: occasional sales to customers and employees, donations, and lastly, recycling.

When a material or a finished product cannot be reused or donated and must be recycled, Hermès always favours the reintegration of the material in-house, *i.e.* "in a closed loop". For several years, the collections have included objects made from materials that come from these closed loops.

When a "closed loop" is not an option, particularly in view of the maturity of recycling technologies, the material will be sent to an "open loop", *i.e.* it will be sold to a professional in the recovery of this material, who will direct it once transformed to an application at another manufacturer.

"Luxury means items that can be repaired", as one of the Group's former Senior Executives used to say. Through their design, the quality of the materials and the savoir-faire, Hermès objects can be maintained, repaired and renovated in order to extend their life. Hermès is unusual in offering its customers a tailor-made After-Sales service, with no time limit, across all its métiers and throughout the world.

#### **2.1.2.5.4 Governance dedicated to defining and implementing the circular economy policy**

Given their strategic issues, circular economy topics are monitored at the highest level of the organisation by the Executive Committee in order to take into account quality, creative, industrial, cooperative and reputational aspects.

Environmental footprint and eco-design topics are overseen by the Sustainable Development Board and implemented by operational bodies in order to be as close as possible to technical realities.

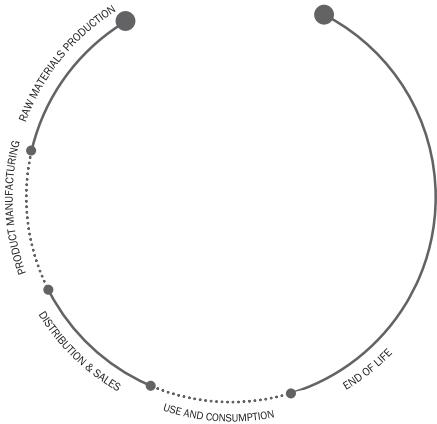
The industrial transition and quality department provides, for example, cross-functional support for the Women's and Men's ready-to-wear, Shoes, Fashion Accessories, Silk and Textiles, Home, Leather Goods, Equestrianism and Jewellery métiers on eco-design and circular economy.

The métiers then report to their Management Committee on the implementation of the action plans defined in relation to the circular economy.

#### **2.1.2.5.5 Actions and resources in relation to resource use and circular economy (E5-2)**

The graph below illustrates the House's different types of actions in terms of circular economy.

2



These actions relate to the four pillars of the policy as follows:

<b>Policy focuses</b>	<b>Main actions</b>
Designing sustainable objects	Implementing an eco-design approach
Ensuring sustainable sourcing	Contributing to the sustainability of supply chains Monitoring suppliers and supporting them to ensure the most stringent social, environmental and societal requirements
Promoting circular manufacturing	Reusing, recycling and optimising management of production waste Packaging circularity and plastic reduction
Improving and managing object end-of-life	Management of unsold items After-sales (repair and extension of objects' lifespan)

#### **Actions to design sustainable objects**

As part of an eco-design approach, and in order to guarantee the sustainability of its products, Hermès uses the Life Cycle Analysis (LCA) method, in order to model the environmental impact of each material, process and object from its design phase to its end of life. This subject has been structured in the métiers using three axes: preparation of future environmental labelling, specific measurement of the impact of materials, processes and products in order to work on holistic impact reduction, starting with emblematic and permanent projects<sup>(1)</sup> and lastly, awareness-raising of the development and studio teams to integrate eco-design in the creative process as early as possible. The majority of the métiers now have an LCA roadmap with objectives for permanent or emblematic product coverage, or even for all collections.

1. Birkin bag/Oran sandal/Avalon blanket/Clic H bracelet/Silk twill scarf 90/Heure H.

As an example, for the leather goods workshop, the calculation includes farming, tanning, processes related to metals used, product manufacture, all transportation until their arrival in stores, and packaging elements (orange boxes, pouches, ribbons, and shopping bags). The calculations are based on specific internal data and/or reference databases in the LCA sector, such as the ADEME (Ecological Transition Agency) footprint database or the Ecoinvent database. With regard to livestock farming, for example, data is taken from the Agribalyse® database and the LCA are conducted according to the methodological framework of the European PEF regulations (environmental score, Product Environmental Footprint). This increasingly involves making use of actual and unitary metrics, which enable the setting of concrete improvement targets, rather than relying on more descriptive sectoral averages.

The objective is to have one LCA tool common to all of the Group's métiers. In this respect, 15 of the House's métiers carry out LCA on their emblematic products.

The longevity of objects is also taken into account from their design, in particular to integrate their ability to be repaired. New small leather goods, bags and luggage products are subject to an internal reparability grid presented to the development and quality managers during project reviews. Depending on the reparability score, prototypes can be modified to incorporate better reparability and product life. Some of the House's emblematic products were also assessed using this grid in order to identify modifications allowing improvement of their reparability.

To strengthen its circular approach, the House of Hermès uses secondary materials whenever possible, in compliance with its sustainability and quality requirements. Thus, in accordance with its sustainable development roadmap, Hermès Horloger has chosen to source only COC (Chain of Custody) gold. Les Ateliers Hermès Horloger, based in Le Noirmont, Switzerland, and producing the watch cases and dials, applied for and obtained the RJC<sup>(1)</sup> COC certification. This guarantees the traceability of this recycled COC gold throughout the supply chain, via a strict management system and a rigorous final audit conducted by a third party. Through this certification, Hermès Horloger underlines its commitment to transparency and is moving towards its objective: to offer watches with fully traceable precious metal components and recycled gold.

Hermès is also committed to using recycled precious metals within Hermès Bijouterie. Hermès therefore only uses non-mined gold for its jewellery.

Lastly, Hermès is pursuing the ambition of using as much recycled material as possible in its packaging, such as the cardboard of its orange packaging boxes made from 100% recycled materials.

#### **Actions to guarantee sustainable sourcing**

Since its very creation, Hermès has worked on the design of aesthetic, high-quality objects that have very long lives. The Group's actions to guarantee sustainable and responsible sourcing meet this ambition.

1. RJC: Responsible Jewellery Council.

Priority sectors	Action	Main concrete measures and results
<b>Leather</b>		
Tannery	Encouraging all tannery suppliers to be assessed by the LWG audit protocol	6 out of the 7 tanneries in the group are certified by the Leather Working Group (LWG) <sup>1</sup> At group level, at the end of 2024, 70% of leather suppliers were LWG-certified.
Cattle	Better understand and improve its supply chain	In 2024, Hermès Maroquinerie-Sellerie continued a multi-criteria study with AgroParisTech, in order to better understand the challenges and associated economic, human and environmental impacts of the calfskin supply chain. In this context, a new study was conducted on the calf and young cattle supply chain in Switzerland.
	Developing traceability	On average, across 2024 as a whole, more than half of tanned leathers were laser-marked in the House's Tanneries division.
	Improving livestock farming practices by participating in various collective initiatives	Hermès participates with other players in the "Cuir de Veau Français Responsable" (Responsible French Calfskin or CVFR) collective initiative. The approach aims to pool and roll out animal welfare verification audits across the entire French calfskin production supply chain, and to support the players in the supply chain in improving the living conditions of animals and people, with the provision of training and investment programmes.
	Rolling out national animal welfare audit, training and investment support programmes to all farms represented by integrators who are members	Since the start of the initiative, more than 500 of French calf farms have benefited from third-party audits. Training efforts and the first investment support rolled out in 2024 have made it possible to achieve a rate of 90% satisfactory CSR audits.
Goats	Rolling out LWG certification to the main partners	In 2024, 92% of partners were certified.
<b>Exotic hides</b>		
Crocodilians	Implementing the highest standards of ethical treatment	All group's tanneries are members of the ICFA and 100% of raw crocodilian hides purchased by the Tanneries division came from farms that have been subject to an external audit by a third partner as part of the ICFA <sup>2</sup> certification process.  These farms are all ICFA-certified by the independent control body BSI.
Lizards	Implementing the highest standards of ethical treatment	In total, 100% of the lizard hides used by the leather métier in Malaysia in 2024 were LPPS-certified. <sup>3</sup>
Ostriches	Implementing the highest standards of ethical treatment	In 2024, all of Hermès' ostrich hide supplies came from SAOBC <sup>4</sup> -certified sites.
<b>Silk</b>		
	Continuing efforts to improve knowledge of the supply chain	Following a study by the University of Cambridge on the biodiversity footprint of silk in Brazil, a study is underway with the WWF on silk in China.
<b>Cashmere</b>		
	Continuing efforts to improve knowledge of the supply chain	In 2024, Hermès completed its study to understand the nature issues surrounding its cashmere supply chain, with a study conducted by WWF France, WWF China and Donghua University in Shanghai.
	Encouraging sustainable development of the supply chain	Hermès has been a member of the SFA since 2024 and participates in improving animal welfare issues.
		Visits and audits of shearers in China and Mongolia.
		56% of fibres certified (SFA <sup>5</sup> , GOTS <sup>6</sup> , RWS <sup>7</sup> )
<b>Cotton</b>		
	Continuing efforts to improve knowledge of the supply chain, guaranteeing the best quality and traceability	Implementation of a control approach to ensure respect for human rights throughout the supply chain, from production to dyeing and spinning. In 2024, the supply of GOTS-certified cotton for packaging elements (protective covers, which represent a significant part of the Group's needs) covered 95% of its cotton supplies in this segment.
	Performing audits	Supply chain visits to the cotton fields were carried out as part of supply chain feedback.

Priority sectors	Action	Main concrete measures and results
<b>Precious metals and precious stones</b>		
Gold	Continuing efforts to improve knowledge of the supply chain, in particular by improving the analysis of the origin of the metal of components (chains, clasps) and gold salts used for electroplating	Refiners are asked about their recycled gold supplies to better understand the value chain beyond the refiner.
Diamonds	Continuing traceability and cutting facility audits	Diamond traceability audits were carried out in 2024. Several CSR audits of cutting facilities were carried out and action plans monitored.
<p>(1) <i>The Leather Working Group (LWG) standard, which, inspired by ISO 14001, contains 17 sections and more than 300 requirements relating to regulatory compliance, subcontracting, monitoring of production, traceability, safety, health and safety, wastewater and energy management, waste management, chemical product management and the EHS management system.</i></p> <p>(2) <i>International Crocodile Farmers Association. This association aims to develop and improve sustainable crocodilian breeding practices in farms and draw up standards by combining the experience of its members and a scientific community specialised in crocodiles, which has gathered together all practices and existing scientific studies.</i></p> <p>(3) <i>Lizard Procurement and Processing Standard.</i></p> <p>(4) <i>South African Ostrich Business Chamber.</i></p> <p>(5) <i>Sustainable Fibre Alliance. This non-profit organisation promotes responsible practices and sets standards in the production of natural fibres, including cashmere.</i></p> <p>(6) <i>Global Organic Textile Standard, guarantees environmentally-friendly production and transformation processes, respect and improvement of working conditions, the promotion of the use of organic fibres and the prohibition of hazardous inputs.</i></p> <p>(7) <i>Responsible Wool Standard, which aims to improve the welfare of sheep and the management of the land on which they graze.</i></p>		

#### **Actions promoting circular production of the object**

##### **PROMOTING THE REUSE AND RECYCLING OF MATERIALS AND OPTIMISING WASTE MANAGEMENT**

###### **Reuse**

Hermès is deploying an upcycling approach with several of its métiers. Thanks to the creativity of employees and their savoir-faire, products are designed from unused materials that are embellished. With the aim of avoiding waste and promoting circularity, the available materials are first offered internally to the métiers, then are made available for donation and finally, for recycling.

In order to increase the visibility of “unused” materials, an internal digital platform has been developed and will be made available to the Group’s métiers in 2025. The goal is threefold: to inspire creative people via a visual and ergonomic tool, to place the product development process at the heart of the solution’s user experience and to provide real-time availability of materials and inventories for team appropriation.

At Hermès Maroquinerie-Sellerie in particular, new objects can be produced from inventories of materials not used in previous years. In 2024, all sites computerised their inventories to facilitate this practice.

#### **Petit h and the reuse of materials in-house**

Petit h is above all a unique approach to creation: inventing objects, using materials that Hermès has not used in the production of the collections, intertwining the excellence of its savoir-faire and the creativity of the artists and designers.

It involves reverse creation, since the material that is available becomes a source of inspiration.

Artists and craftspeople share their savoir-faire to create unique and functional objects.

By reinventing everyday objects, petit h combines sustainability with re-creation, responsibility and playfulness.

All of the House’s métiers are included in this process: end-of-stock, accessories, obsolete parts (for example, a whole collection of pommels dating from the 1960s, etc.).

Scraps of leather, fabrics, silk, porcelain, crystal... All these materials which, adapted, enhanced and sometimes relieved of a tiny initial defect, are given a new life thanks to the unique savoir-faire and talent of the artists.

It is with this spirit of common sense that petit h naturally participates in reusing exceptional materials.

Some creations are manufactured as unique pieces, depending on the availability of existing materials. Others are also produced in limited and controlled production runs.

This creative and singular approach resonates through an original and selective distribution channel, with a permanent base at the rue de Sèvres store in Paris, and pop-up sales abroad.

In 2024, Hong Kong and New York hosted these festive stopovers.

#### **Recycling of materials**

Hermès works in collaboration with its partners to improve the recycling process for its materials. The issue is how to give life to quality materials that can be reused internally when possible.

By way of illustration, the “Resilked” project initiated five years ago is the result of a collaboration between the Holding Textile Hermès (HTH) teams and the métier teams. It gives a second life to silk as part of a strong innovation and circular economy approach. The history of this project illustrates the Group’s strong commitment to achieving the ambition of zero destruction of textile sources in France by 2025. The process developed makes it possible to generate recycled silk thread, which is then used to produce the herringbone canevas. This approach is remarkable for two reasons: the recycling is carried out in a closed loop and makes it possible to reduce cotton consumption. This project enabled a 20% reduction in the environmental impact compared to the original reference canva accompanying products in stores (according to the 16 indicators of the Product Environmental Footprint (PEF) method).

All the recycling operations implemented aim to come as close as possible to achieving the specifications of a new material and thus creating a true closed materials loop in order to reduce the use of natural resources as well as chemical inputs.

#### **Waste management**

In application of the Group’s circular economy policy, the métiers integrated the ambition of better waste management and many projects were launched in 2024. Management of industrial waste is entrusted specifically to each division by means of a dual policy of reducing the production of waste, and its recycling wherever possible.

Waste is recorded by each of the métiers and manufacturing sites on an annual basis. Based on these figures, a diagnosis is made and the causes of waste production and areas in which reduction may be possible are examined. When waste cannot be avoided, it is either reused, recycled or valorised by external partners.

At Group level, the main types of non-hazardous waste generated by industrial sites are sludge from water treatment facilities, processes and dredging materials as well as leather by-products generated during the tanning stages (see paragraph below). The hazardous industrial waste generated consists mainly of cullet (crystal debris) that cannot be reused at the Cristalleries Saint-Louis but is reused in a metal refinery, sludge and distillate from surface treatment sites or dyes used in textile printing units.

#### **Tannery**

Tanning operations consist of transforming an animal’s hide into a sustainable product, the finished leather. The reduction of tannery waste starts with the improvement of the quality of the raw hides. Tanning then generates unavoidable waste, associated with trimming the edges of the hides (“trimming”) or preparing the internal surface of the hide (“fleshing”). Within the division’s sites, almost all of the waste is non-hazardous.

For exotic hides, several projects are being rolled out in farms and tanneries to improve quality control and optimise the use of raw materials. For example, digital hide-imaging systems enable the identification of defects, facilitate sorting and thus maximise the use of hides in order to reduce waste.

At-source sorting of waste streams is in place on sites and 100% of the waste produced is evacuated to approved channels. On-site waste storage is optimised to prevent any pollution risk and regular awareness-raising initiatives focusing on sorting and the layout of work areas are carried out among employees.

In addition to simple regulatory compliance, the division’s tanneries are working to further improve the quality of waste in order to develop solutions for the reuse of water for washing and production.

#### **Leather**

The frugal use of leathers has always been a key concern of the production units: thus, cutter craftspeople are trained, from the moment they join the House, in how to cut leathers as sparingly as possible. Coordination among production units is managed daily to optimise the use of hides and offcuts: the analysis of hide usage is a management indicator used in the workshops.

In addition, a guide to best cutting practices is followed on each site.

Some of the leather scraps, elements that are not used in the production unit’s “cutting” activity, are sold to specialised channels, sorted and reused, both internally and externally. These by-products from activity are not included as “waste” in this report.

The division also participates in the work carried out by the Centre technique du cuir (CTC) and other stakeholders.

Household waste therefore represents the majority of non-hazardous waste generated by the Leather division and is recycled or recovered for energy. Composting facilities have been set up at certain leather goods workshops to recover organic waste and avoid its transportation. Most of the small amount of hazardous industrial waste generated consists of packaging, glues and dyes used in leather goods’ manufacture.

#### **Textile**

Of all of the Textile division’s waste from direct production, the majority of waste is recovered, mainly as energy, while other waste is sorted and recycled, or even composted.

The Textile division ensures the strictest control of the use of the raw materials supplied. All production units carry out monitoring and actions to reduce scraps and waste, as part of the quality approach. Here are a few examples:

- ◆ At the farming stage, much of the waste from mulberry growing and silkworm farming is recycled locally. Each part of the cocoon as well as the other by-products of the industry have multiple uses, from fish food to fabric;
- ◆ At the weaving stage, a working group made it possible, following analysis and technical tests, to identify and launch new ways to reduce cashmere waste by resizing the widths of the material to improve the ratio of printed surface to the area of the material;

- ◆ At the printing stage, the widths of silk are selected according to their specifications in order to adapt the material to the printing techniques and products being made.

Each site also implements local adjustments to reduce the waste emitted; for example, the AEI (Ateliers d'Ennoblement d'Irigny) site has significantly reduced the packaging machine films from 110 microns to 85 microns, reducing the amount of plastic consumed by nearly a quarter.

#### Metals

The “zero waste” principle is intrinsic to the manufacture of precious metal jewellery. This expertise in collection and reprocessing contributes significantly to limiting the impact of the sector.

In 2024, an inter-métiers project made it possible to organise a global operation to recycle three types of metal (gold, palladium and silver) with external partners. These metals were recovered by melting different types of metal parts. This operation made it possible to promote synergies between the métiers and optimise the management of the end-of-life of metal parts.

#### ***Improving the circularity of packaging and reducing plastic consumption***

Packaging is used at different stages of the life cycle of a product: during its manufacturing phase (packaging of materials, inter-site packaging) and during its sale in stores. As previously mentioned, in stores, 100% of orange bags are FSC®-certified. The cardboard of the emblematic orange boxes is made of 100% recycled material. The bags, made of 40% recycled materials (technical limit related to their resistance), are recyclable except for the handles. Hermès has implemented frugal packaging management: the orange box is used both as packaging for internal flows, but also for sales and customers. The boxes often have a long lifespan, as customers tend to keep them beyond purchase (they even lead to a second-hand market, etc.).

The comprehensive inventory of plastics throughout the production chain is continuing. A working group is assessing the possibilities of plastic substitution and circularity.

The packaging plastics purchased by the Group mainly consist of packaging for perfumes and cosmetics, foams for tableware and logistics items (i.e. wedges, strapping, films, adhesives). Paper and cardboard (bags and orange boxes) remain the preferred materials for packaging.

#### LOGISTICS

Hermès is actively pursuing its approach to reducing the consumption of single-use plastic, such as the introduction of reusable straps for the internal transport of pallets, thereby significantly reducing the use of plastic film. In addition, certain consumables have been replaced by more environmentally-friendly alternatives, such as paper tapes and gummed tapes, used to replace plastic adhesives.

In addition, Hermès works to replace plastic wedges and strapping with paper solutions whenever possible.

#### TABLEWARE

The foams for wedging this type of fragile articles meet very demanding specifications, particularly in the context of the growth of e-commerce. The Group works with its suppliers, who are some of the most expert in the sector, on cardboard packaging solutions that meet the métier's quality expectations and volume and weight constraints (so as not to transfer the impact by generating new carbon emissions during transport).

The results obtained have already made it possible to market certain porcelain pieces in 100% cardboard packaging.

#### PERFUME AND BEAUTY

To reduce the use of plastics, Hermès is working on various areas:

- ◆ extending the lifespan of containers with the promotion of refillable perfumes and lipsticks;
- ◆ reducing the use of virgin plastic for containers across the entire Perfume and Beauty portfolio (with, as a first step, the prioritisation of plastics from recycled and recyclable sources);
- ◆ reducing the use of plastic for different kinds of packaging (both for products themselves and those used in logistics operations).

For more than 10 years, Hermès has thus marketed refillable perfumes such as *Voyage d'Hermès*, *Jour d'Hermès*, *Galop d'Hermès* and *H24*. In 2023, the entire *Parfums-Jardins* collection became rechargeable, followed in 2024 by the *Hermessence* Collection. The glass bottles of the *Le Bain Hermès* product line (including the perfumed products of the *Parfums-Jardins* and *Les Colognes Hermès* collections) have been refillable since 2024. The production of mini-products for hotels, which still represented 24.5 tonnes of plastic in 2023, also came to an end.

#### ***Actions aimed at improving and managing object end-of-life***

#### MANAGEMENT OF UNSOLD PRODUCTS

The in-store offer is directly and freely defined by each manager, who is responsible for choosing the right assortment for his or her local customers. This freedom to purchase is an essential element of the business model, and makes it possible to reduce unsold items. In addition, to optimise sales at regional level, the subsidiaries arrange inter-store transfers, leaving only a small number of unsold products.

The management of unsold items is organised by the dedicated “new chances for products” team, and is structured around various successive and complementary actions. Occasional sales intended for customers are organised by the distribution subsidiaries in order to allow the sale of products that would not have been sold in stores. Regular sales to employees of unsold goods and seconds provide an additional channel that can be used to avoid waste, in compliance with local and tax laws.

In addition to these schemes, for more than 10 years, the collecting of products has been organised for donation to partner associations. In this way, several thousand unbranded and anonymised products are donated each year to these partners, who distribute them to people in need. This approach relies on the collaboration of internal volunteers and, since its beginning, more than 100 employees have been mobilised each year to unbrand the items eligible for donation.

#### AFTER-SALES SERVICE: MAINTENANCE TO EXTEND THE LIFESPAN OF OBJECTS.

Hermès is unusual in offering its customers a tailor-made After-Sales service, with no time limit, across all its métiers and throughout the world. The House carries out the maintenance, repair and restoration of its objects, made by craftspeople, in order to extend their life as much as possible.

From saddles to silk to watches, owners of Hermès objects can request their maintenance or repair all around the world. In 2024<sup>(1)</sup>, the House worked on more than 200,000 products.

Eager to offer a local service to customers and reduce the carbon footprint related to the return of products, Hermès favours, whenever possible, local interventions. In this context, partner repairers are carefully selected and approved worldwide, and the House continues to set up in-house local workshops close to its flagships, led by expatriate craftspeople dedicated to carrying out work on leather products. The House's strategy is to make maintenance and repair operations as easy and efficient as possible for all its customers around the world. Before departing, craftspeople expatriated to subsidiaries undergo a dedicated seven-month training course in order to enhance their savoir-faire and expertise specific to the maintenance and repair of leather goods.

Furthermore, as a strategic focus of Hermès, after-sales service mobilises 90 craftspeople in five workshops in France. The objective is to support the Group's growth and to develop the number of craftspeople and the infrastructures dedicated to this.

2

#### 2.1.2.5.6 Targets related to resource use and circular economy (E5-3)

Policy focuses	Action	Target
Designing long-lasting objects	Implementing an eco-design approach	Life cycle analyses conducted on all emblematic products 100% non-mining gold <sup>1</sup> used in Hermès Bijouterie workshops
Ensuring responsible sourcing	Contributing to the sustainability of supply chains  Monitoring suppliers and supporting them to ensure the most stringent social, environmental and societal requirements	Implementation of a certification process for supply chains according to the highest standards  Achievement and maintenance at more than 95% by purchasing volume from certified tanneries by 2030  100% recycled or GOTS-certified cotton in packaging (herringbone canevas, ribbons, garment covers)
Promoting circular manufacturing	Promoting reuse and recycling  Optimised management of production waste  Promoting the circularity of packaging and reducing plastic	100% of textile sources and scraps from French textile manufacturers recycled by 2025 <sup>2</sup>  100% reduction in unnecessary single-use plastics by 2025 <sup>1</sup>
Improving and managing object end-of-life	Managing unsold stock  Creating objects that can be repaired	Recycling trajectory for all unsold products by 2030 <sup>3</sup>  After-sales service offered to all customers worldwide

(1) Non-mining gold refers to gold that has already been used and that comes, for example, from the melting of recovered jewellery and the recycling of IT equipment.

(2) In accordance with the provisions of the AGEC law

(3) The products concerned are those falling within the scope of article 35 of the AGEC law.

In order to constantly align itself with the most demanding certification standards and gradually support its métiers in the supply of significant volumes of certified raw materials, Hermès has extended its objective of certification of the supply chains. These certifications include environmental (e.g. water-related) and social (e.g. working conditions-related) requirements.

Each métier defines specific and measurable objectives for each of its materials supply chains and communicates them to its suppliers. Precise indicators are put in place to monitor progress and adjust actions accordingly.

1. For the reference period from 1 October 2023 to 30 September 2024. The transactions recognised are those that contribute to the extension of the life of a product already sold (excluding alterations as part of an initial sale).

The table below gives an overview of the certifications targeted by supply chain category:

#### MAIN SUPPLY CHAIN CERTIFICATION COMMITMENTS

<i>Material category</i>	<b>Certification and specific procedures targeted and rolled-out</b>
<b>Animal supply chains</b>	
Wool and fur	RWS/RAS <sup>1</sup> /RMS <sup>2</sup> /SFA certifications
Feather/down	RDS <sup>3</sup> certification
Leather	LWG certification
◆ Cattle, goat and sheep leathers	Specific procedures on farms (CVFR, Welfair, etc.)
◆ Precious leathers	ICFA certification for crocodile farms
	SAOBC certification for ostrich hatcheries and livestock farms
	LPPS certification for the lizard sector
Silk	GOTS certification
Mother-of-pearl/pearls	ASC <sup>4</sup> /MSC <sup>5</sup> certifications
<b>Plant-based supply chains</b>	
Cotton	GOTS certification
Linen	"Master of Linen" certification
Cellulosic fibres	Sources of fibres FSC® <sup>6</sup>
Wood	FSC® certification
Rubber	FSC® and GOLS <sup>7</sup> certifications
Palm oil derivatives	RSPO <sup>8</sup> certification
<b>Mineral and metal sectors</b>	
Stones	RJC <sup>9</sup> certification
Gold/silver	RJC certification and use of recycled materials
Other metals	ASI <sup>10</sup> certification

(1) Responsible Alpaca Standard, aims to improve the well-being of alpacas and the management of the ecosystems in which they are reared.

(2) Responsible Mohair Standard, aims to improve the well-being of the angora goats that produce the mohair and the management of the land.

(3) Responsible Down Standard enables the marketing of textiles containing feathers or down produced with respect for animal welfare.

(4) Aquaculture Stewardship Council: an independent organisation that certifies aquaculture products meeting strict environmental and social sustainability standards.

(5) Marine Stewardship Council: global organisation that certifies sustainable fishing products.

(6) Forest Stewardship Council, certifies that forest products come from forests managed in an ecological, socially beneficial and economically viable manner.

(7) Global Organic Latex Standard, certifies that products are made from natural, organically grown latex.

(8) Round table on Sustainable Palm Oil, ensures that palm oil is produced in a way that minimises negative environmental and social impacts, respecting strict sustainability criteria.

(9) Responsible Jewellery Council, certifies the best practices of companies contributing to the supply chain of gold or stones, from mining to distribution.

(10) Aluminium Stewardship initiative, an international standard that promotes responsible aluminium production throughout the value chain.

#### 2.1.2.5.7 Resource inflows (E5-4)

As described in the sections below (ESRS 2 SBM 3, E5-1 and E5-2), the main resource inflows for Hermès are leather, silk, cashmere and precious metals.

Hermès' products (excluding perfume and beauty) are mainly composed of unique, unblended, natural materials. The quantities of materials shown in the table below are therefore taken from the Group's internal material purchasing databases.

The table below shows the materials used by the House, grouped by category with the same sustainability issues.

#### QUANTITY AND TYPE OF INFLOW MATERIALS USED IN 2024

Type of material (in tonnes)	Animal supply chains	Animal supply chains	Artificial and synthetic supply chains	Metal supply chains	Mineral supply chains	Plant-based supply chains	Plant-based supply chains	Other supply chains
Material qualification	Biological materials	Technical materials	Technical materials	Technical materials	Technical materials	Biological materials	Technical materials	Technical materials
Total weight (in tonnes)	675	2,686	120	3,783	381	483	2,952	54

Information on the percentage of organic materials used by the Group that come from sustainable sources, as well as the weight, in absolute value, and percentage of reused or recycled secondary components and intermediate secondary materials used by the Group were not available at the date on which Hermès published its sustainability information. Some materials could not be taken into account in the weight calculation because the information is available in a unit other than mass. This concerns hides expressed in units, precious stones expressed in carats and certain materials expressed in litres. The Group confirms that it has exercised the expected due diligence in producing this information and will work to establish ratios enabling conversion of its units.

The table below shows the quantities of inflow products purchased (finished products and packaging) used in 2024.

#### QUANTITY AND TYPE OF INFLOW PRODUCTS USED IN 2024

Type of product	Finished product	Packaging
Total weight (in tonnes)	<b>1,442</b>	<b>12,830</b>
% from sustainable sources <sup>(1)</sup>	1.0%	22%

The information expected in respect of the inflow resource requirement was not exhaustive at the date on which Hermès published its sustainability information. The Group confirms that it has exercised the expected due diligence in producing this information.

#### 2.1.2.5.8 Resource outflows (E5-5)

The way in which Hermès designs products and materials in compliance with the principles of the circular economy, in particular by increasing the proportion of products, materials and waste put back into circulation is detailed in § 2.1.2.5.3. The strategy for reducing and managing waste within operations (including in particular the leather goods workshops, tanneries and packaging) is presented in § 2.2.5.4. As presented in the Group's business model (see § 2.1.1.5.2), the House is committed to making and offering its customers long-lasting objects that can be repaired and passed on.

Hermès follows European regulations on waste classification, given the location of its manufacturing sites in Europe. Waste is weighed at the exit of the sites and by the service provider responsible for its collection and possible recovery. These data are included in the waste register in accordance with regulations. The table below details the quantity and type of waste generated in 2024, by destination:

<i>in tonnes</i>		<b>Total 2024</b>
Total amount of waste produced		18,717
Total amount of waste not disposed of		10,933
Total amount of hazardous waste not disposed of	Preparation for reuse	0
	Preparation for recycling	1,113
	Preparation for other recovery operations	2,225
Total amount of non-hazardous waste not disposed of	Preparation for reuse	0
	Preparation for recycling	4,850
	Preparation for other recovery operations	2,745
Total amount of hazardous waste disposed of	Incineration	142
	Sent to landfill	357
	Other disposal operations	620
Total amount of non-hazardous waste disposed of	Incineration	43
	Sent to landfill	6,400
	Other disposal operations	222
Non-recycled waste		7,784
Percentage of non-recycled waste		64%
Total amount of hazardous industrial waste		4,457

1. Sustainable sources: to date, these are recycled and/or certified materials, products or components.

## 2.1.2.6 TAXONOMY

### 2.1.2.6.1 Reminder of the regulatory context

This section is drawn up in application of European Regulation 2020/852 of 18 June 2020 (referred to as the "Taxonomy" Regulation), delegated acts (EU) 2021/2139, (EU) 2021/2178, delegated climate regulation 2023/2485 and delegated environmental regulation 2023/2486 aimed at promoting sustainable investments.

The Taxonomy aims to identify economic activities that meet at least one of the following six environmental objectives<sup>(1)</sup>:

- 1.** climate change mitigation;
- 2.** climate change adaptation;
- 3.** protection of water and marine resources;
- 4.** transition to a circular economy;
- 5.** pollution prevention and reduction;
- 6.** protection of biodiversity and ecosystems.

An activity is said to be taxonomy "eligible" if it is explicitly included in the list of activities drawn up by the European Commission. This activity then becomes "aligned" if it cumulatively meets three conditions:

- ◆ it complies with the minimum technical environmental performance thresholds (substantial contribution criterion) for the objective(s) to which it is attached;
- ◆ it does no significant harm to the other five remaining criteria, known as the "Do No Significant Harm" (DNSH) criterion;
- ◆ it is carried out in accordance with the "Minimum Safeguards" criterion in terms of human rights, corruption, taxation and competition law.

For each of the environmental objectives, the regulation requires the publication of the percentage of eligible and/or aligned activity for each of the following three indicators:

- ◆ turnover (%);
- ◆ CapEx (%);
- ◆ OpEx (%).

### 2.1.2.6.2 Application to the Hermès Group

The detailed financial information was analysed and checked jointly by the sustainable development department, the finance department, the Group real estate development department, the industrial, technical and innovation department and the métier teams. The methodological elements on which the Group conducted its analysis – assumptions, estimates and limitations – are described in § 2.1.2.6.3.

#### Turnover eligibility and alignment ratios

The Hermès métiers do not present any significant turnover from activities currently on the list of eligible activities published by the European Commission.

The corresponding regulatory table is available in § 2.1.2.6.4.

#### OpEx eligibility and alignment ratios

In accordance with the regulation, as the ratio of operating expenses, as defined by the Taxonomy, to the Group's total operating expenses is less than 5%, and these expenses not being significant in terms of Hermès' business model, the Group has used the exemption provided for, allowing it not to publish the taxonomy eligibility and alignment ratios for its OpEx. As a reminder, the operating expenses used by the Taxonomy are defined as direct non-capitalisable costs relating to research and development, the renovation of buildings, short-term leases, maintenance and repair, and any other direct expenditure, related to the general maintenance of property, plant and equipment by the company or by the third party to which these activities are outsourced, that is necessary for these assets to continue to function properly.

The corresponding table is available in § 2.1.2.6.4.

#### Taxonomy CapEx eligibility and alignment ratios

The CapEx eligibility and alignment ratios, as defined by the Taxonomy, are detailed below. The corresponding regulatory table is available in § 2.1.2.6.4.

1. Delegated Regulation (EU) 2021/2178 ("Article 8") specifying the reporting obligations of companies in relation to the taxonomy

In millions of euros	2024	Eligible CapEx		Aligned CapEx		Aligned CapEx Eligible CapEx
		Amount	as a % of total CapEx	Amount	as a % of total CapEx	
<b>GRAND TOTAL TAXONOMY CAPEX</b>	<b>1,502</b>	<b>816</b>	<b>54%</b>	<b>391</b>	<b>26%</b>	<b>48%</b>
Taxonomy real estate CapEx:	816	816		391		48%
◆ Renovation of existing buildings <sup>1</sup>	266	266		144		54%
◆ Acquisition and construction of buildings <sup>1</sup>	149	149		112		75%
◆ IFRS 16 right-of-use assets <sup>2</sup>	401	401		135		34%
Other taxonomy CapEx <sup>1-3</sup>	686	-	-	-	-	-

(1) I.e. total of €1,101 million, including operating investments for €1,067 million over the financial year (see Notes 9.2.1 and 9.2.2 to the consolidated financial statements), as well as changes in the scope of consolidation for €34 million.

(2) IFRS 16 rights-of-use of €401 million correspond to the implementation of new contracts and revisions of rights-of-use for €366 million over the financial year (see Note 9.3.1 to the consolidated financial statements), as well as changes in the scope of consolidation for €35 million.

(3) Concern CapEx not eligible under the taxonomy. These are mainly IT investments and land acquisitions.

2

In millions of euros	2023	Eligible CapEx		Aligned CapEx		Aligned CapEx Eligible CapEx
		Amount	as a % of total CapEx	Amount	as a % of total CapEx	
<b>GRAND TOTAL TAXONOMY CAPEX</b>	<b>1,327</b>	<b>832</b>	<b>63%</b>	<b>267</b>	<b>20%</b>	<b>32%</b>
Taxonomy real estate CapEx:	832	832		267		32%
◆ Renovation of existing buildings <sup>1</sup>	228	228		76		33%
◆ Acquisition and construction of buildings <sup>1</sup>	136	136		82		60%
◆ IFRS 16 right-of-use assets <sup>2</sup>	468	468		109		23%
Other Taxonomy CapEx <sup>1-3</sup>	494	-	-	-	-	-

(1) I.e. total operating investments of €859 million over the financial year (see Notes 9.2.1 and 9.2.2 to the consolidated financial statements).

(2) Corresponds to the implementation of new contracts and revisions of rights-of-use for the financial year (see Note 9.3.1 to the consolidated financial statements).

(3) Concern CapEx not eligible under the Taxonomy. These are mainly IT investments and land acquisitions.

The Group considered it relevant to publish an alternative performance indicator in addition to the indicators required by regulations, corresponding to the proportion of aligned CapEx expressed in relation to eligible CapEx, in total and for each activity. This ratio stood at 48% in 2024, compared to 32% as reported in 2023.

### GRAND TOTAL TAXONOMY CAPEX

In accordance with regulations, the Group analysed its acquisitions of property, plant and equipment and intangible assets (IAS 16 and IAS 38), right-of-use assets (IFRS 16) and business combinations (IFRS 3) constituting the CapEx Taxonomy denominator. This amounted to €1,502 million for 2024, compared with €1,327 million in 2023. It includes:

- ◆ acquisitions of property, plant and equipment and intangible assets (operating investments), in addition to new entries to the consolidation scope, for a total of €1,101 million;
- ◆ the increase in IFRS 16 right-of-use assets, plus new entries to the consolidation scope, for a total of €401 million.

### ELIGIBLE CAPEX

Eligible CapEx are mainly related to the construction and renovation of buildings owned and rented for a total amount of €816 million.

The environmental objectives concerned by these eligible CapEx are as follows:

- ◆ climate change mitigation, including the following Taxonomy activities:
  - 7.2 Renovation of existing buildings, for €266 million,
  - 7.7. Acquisition and ownership of buildings, activity concerning both buildings for the Group's own account for €149 million and new property leases recognised in accordance with IFRS 16, for €401 million;
- ◆ transition to a circular economy, including the following activity:
  - 3.2 Renovation of existing buildings, for €266 million (since 2023 this activity has therefore been associated with two separate environmental objectives with the full application of the Taxonomy).

Other Taxonomy CapEx, which are non-eligible, amounted to €686 million and mainly included:

- ◆ investments in land for €298 million;
- ◆ IT investments amounting to €137 million;
- ◆ investments related to recurring maintenance, for €101 million;
- ◆ equipment and tooling for workshops, amounting to €97 million;
- ◆ real estate investments of individually less than €500 K, which were not analysed, representing a total of €19 million.

### ALIGNED CAPEX

In 2024, the alignment of CapEx under the Taxonomy totalled 26% (aligned CapEx out of total Taxonomy CapEx), compared to 20% in 2023, in line with the increase in real estate investments over the financial year.

The Group owns almost all of its production sites. Hermès has created its own sustainable construction framework, called *Harmonie*, certified in 2022 for its alignment with the most ambitious labels and certifications on the market (§ 2.1.2.1.2). This framework is gradually being enhanced with the criteria and evidence required by the Taxonomy. Thus, the application of the *Harmonie* standard contributed significantly to the increase in the real estate CapEx alignment rate.

In addition, the Hermès Group leases most of the stores in the cities where it operates. These stores are sometimes located in the shopping avenues of historic city centres, in buildings that do not yet meet the highest energy performance standards, and are currently incompatible with the standards set by the Taxonomy. Nevertheless, whenever possible, Hermès undertakes renovation work to improve the environmental performance of the occupied point of sale.

#### 2.1.2.6.3 Methodological note

In accordance with the regulatory requirements for the 2024 financial year, the alignment analysis was conducted for all the environmental objectives of the Taxonomy, with regard to the Group's eligible activities.

#### Substantial contribution

Alignment is based on compliance with the substantial contribution criteria and the non-enforceability of a generic or specific DNSH criterion (see methodology below). Compliance is assessed in the light of the supporting documents available to the Group. For example, large-scale renovation projects significantly improving the energy performance of buildings were considered aligned because they had such supporting documents.

#### 7.2 Renovation of existing buildings (climate change mitigation)

Hermès carried out the eligibility and alignment analysis for this existing activity from the perspective of several environmental objectives.

In order to qualify the alignment of building renovation investments, meticulous work was carried out for each investment of more than €500 K in order to analyse the alignment with the substantial contribution, by demonstrating a reduction in demand for primary energy of at least 30%.

#### 3.2 Renovation of existing buildings (transition to a circular economy)

The projects eligible for activity 3.2 were considered as non-aligned for this first alignment exercise with the objective of transition to a circular economy.

#### 7.7. Acquisition and ownership of buildings (climate change mitigation)

The analysis of the substantial contribution criteria for activity 7.7 was based on the identification of elements to define the energy performance of buildings (RT2012-10% or RE2020 for buildings constructed from 2021, DPE A or national or regional top 15% for buildings built before 2021) depending on the date of their building permit. The criteria relating to airtightness and thermal integrity tests and life cycle analysis criteria were met for buildings constructed from 2021. The energy performance of buildings is systematically monitored and assessed through energy performance contracts.

As permitted by the Commission Communication of 20 November 2023 on the interpretation and implementation of certain legal provisions of the delegated act on the climate aspect of the Taxonomy, investments in the construction of new buildings by the Hermès Group were analysed using the relevant criteria of activity 7.7 and are reported under this activity.

#### Methodology for assessing generic and specific DNSH criteria

As indicated in the table presenting the CapEx eligibility and alignment ratios, only eligible activities categorised as 7.2 and 7.7 of the climate change mitigation objective show an alignment component. The DNSH criteria, for each of the Taxonomy activities, were applied as follows:

### 7.2 RENOVATION OF EXISTING BUILDINGS

#### DNSH adaptation

The Climate Delegated Act recommends compliance with three criteria:

- ◆ analysis of the various physical climate risks that could affect the activity;
- ◆ assessment of these risks using climate projections in order to determine their significance;
- ◆ assessment of adaptation solutions.

This analysis is included from the start of a real estate project and documented in the *Harmonie* standard. Depending on the hazard ranking obtained and the results of the climate projections, local real estate teams undertake the construction of adaptation plans consistent with the nature of the assets concerned, their geographical location and the priority physical climate risks.

#### DNSH Water

This DNSH imposes compliance with water flow rates per minute, which vary according to the water supply equipment. To ensure compliance with this criterion, Hermès verified the existence of water meters or solutions to manage water consumption. These solutions indicate alignment with the thresholds set by the European Commission.

#### DNSH Circular economy

The Delegated Act requires compliance with three criteria:

- ◆ the preparation of at least 70% by weight of construction waste for recycling, reuse or any other form of recovery;
- ◆ operators must limit waste production;
- ◆ building design and construction techniques must promote circularity.

These criteria are included in the *Harmonie* standards as well as in the Green Construction Site Charter applied by the Group. This referencing therefore leads to this DNSH being deemed respected.

#### DNSH Pollution

The DNSH relating to pollution require that the renovation activity referred to in 7.2 does not lead to the manufacture, marketing or use of substances specified in Appendix C of the Climate Delegated Act, the components and construction materials used in the renovation of buildings meet specific criteria and that measures are adopted to reduce noise, dust and pollutant emissions during work.

These requirements are included in the *Harmonie* standards; in this respect, the governance of the standards provides that the project management must certify the total absence of compounds deemed hazardous such as lead, asbestos, mercury, persistent organic pollutants, ozone-depleting substances, hazardous substances covered by REACH, as well as any other substances mentioned in Annex C.

In order to ensure compliance with this DNHS in its entirety, the Group actively monitors any uncertainties concerning the interpretation of the texts relating to criteria a) to f) and the additional paragraph, and to the scope of the substances concerned, and the Group is strengthening its data collection capacities. For the 2024 financial year, the Group had already mobilised the resources available at the date of the preparation of the Taxonomy report, so Hermès was able to conclude that the renovation activities are aligned with the DSNH. Hermès will continue its efforts to refine its analysis and make progress on its processes over the coming years, with the constant objective of fully meeting all of the requirements of the DNHS Pollution.

## 7.7. ACQUISITION AND OWNERSHIP OF BUILDINGS

#### DNSH adaptation

The applicability criteria and compliance with them by Hermès are the same as those detailed for activity 7.2.

#### Methodology for assessing minimum safeguards

Hermès followed the recommendations of the Final report on Minimum Safeguards by the European Platform on Sustainable

Finance as well as those of the European Commission's FAQ of June 2023 on minimum safeguards<sup>(1)</sup>. The Group conducted an in-depth analysis of its practices with regard to the four themes described in the report (human rights, corruption, taxation and competition law) as well as an analysis of controversies with regard to the non-alignment criteria described in the report. These analyses showed that no definitive convictions were found, on the basis of existing processes, on any of these topics constituting a non-alignment criterion.

More specifically:

- ◆ to guarantee respect for human rights, Hermès formalises its commitments in a set of charters and codes accessible via the Group's website<sup>(2)</sup>. These charters and codes are part of major fundamental principles such as the Universal Declaration of Human Rights, the Charter of fundamental rights of the International Labour Organization, the OECD Guidelines and the UN Global Compact. Lastly, in accordance with French law no. 2017-399 of 27 March 2017 relating to the duty of vigilance, the Hermès Group has drawn up its own vigilance plan to identify risks and prevent serious violations of human rights and fundamental freedoms, and the health and safety of people, resulting from its activities as well as those of its commercial partners (suppliers and subcontractors, as well as exclusive concessionaires). All of the Group's commitments in this area are described in § 2.1.3.1.3;
- ◆ to prevent corruption, Hermès implements a series of internal systems, including the supplier code of conduct, the ethics charter, the anti-corruption code of conduct and the code of business conduct, in addition to specific measures and procedures on the fight against corruption. Dedicated anti-corruption training is also provided to all employees. All of the Group's commitments in this area are described in § 2.1.4.2 and § 2.1.4.3;
- ◆ in terms of tax policy, the Group complies with the OECD principles on taxation and has been using an IT tool deployed in all subsidiaries since 2023 to monitor tax obligations, tax payments and tax ethics. All of the Group's commitments in this area are described in section 4.1.5.3;
- ◆ to prevent breaches of competition law, Hermès has set up contractual commitments, such as the supplier code of conduct and the ethics charter, and provides training to its most exposed employees. All of the Group's commitments in this area are described in § 2.1.4.2.

As a result of these analyses, Hermès complies with the minimum safeguard requirements for this new alignment exercise.

1. *Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation and links to the Sustainable Finance Disclosure Regulation (2023/C 211/01).*  
 2. <https://finance.hermes.com/en/ethics-human-rights-and-diversities/>

#### 2.1.2.6.4 Regulatory tables

##### SHARE OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - INFORMATION FOR THE YEAR 2024

Economic activities	Code	Revenue	Proportion of turnover, year N	Substantial contribution criteria		Do no significant harm criteria ("DNSH criteria")		Minimum safeguards	Proportion of turnover aligned with the Taxonomy (A.1) or eligible under the Taxonomy (A.2), Year N-1	Category of enabling activity	Category of transitional activity							
				Climate change mitigation	Climate change adaptation	Water	Pollution											
<b>A. Activities eligible under the Taxonomy</b>																		
<b>A.1. Environmentally sustainable activities (aligned with the Taxonomy)</b>																		
Turnover from environmentally sustainable activities (aligned with the Taxonomy) (A.1.)		-	-								-							
Of which enabling		-	-							E								
Of which transitional		-	-							T								
<b>A.2. Activities eligible under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)</b>																		
Turnover from activities eligible under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2.)		-	-	-	-	-	-			-								
A. Turnover from activities eligible under the Taxonomy (A.1 + A.2)		-	-	-	-	-	-			-								
<b>B. Activities not eligible under the Taxonomy</b>																		
Turnover from activities not eligible under the Taxonomy		15,170	100%															
<b>TOTAL (A. + B.)</b>		<b>15,170</b>	<b>100%</b>															

##### SHARE OF TURNOVER FROM ECONOMIC ACTIVITIES THAT ARE ELIGIBLE AND/OR ALIGNED WITH THE TAXONOMY BY ENVIRONMENTAL OBJECTIVE - INFORMATION FOR THE YEAR 2024

	Proportion of turnover/total turnover	
	Aligned with the Taxonomy by objective	Eligible under the Taxonomy by objective
CCM	-	-
CCA	-	-
WTR	-	-
CE	-	-
PPC	-	-
BIO	-	-

**PROPORTION OF CAPEX EXPENDITURE FROM PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - INFORMATION FOR THE YEAR 2024**

Economic activities	Code	CapEx	Proportion of CapEx, year N	Substantial contribution criteria						Do no significant harm criteria ("DNSH criteria")						Proportion of CapEx aligned with the Taxonomy (A.1.) or eligible (A.2.) under the Taxonomy, year N-1	Category of enabling activity	Category of transitional activity				
				Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular economy	Biodiversity							
<b>A. Activities eligible under the Taxonomy</b>																						
<b>A.1. Environmentally sustainable activities (aligned with the Taxonomy)</b>																						
Renovation of existing buildings	CCM 7.2	144	10%	YES	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	6%	T				
Acquisition and ownership of buildings	CCM 7.7	247	16%	YES	N/EL	N/EL	N/EL	N/EL	N/EL	YES	YES	YES	YES	YES	YES	YES	14%					
<b>CapEx of environmentally sustainable activities (aligned with the Taxonomy) (A.1.)</b>		<b>391</b>	<b>26% 26%</b>	-	-	-	-	-	-	YES	YES	YES	YES	YES	YES	YES	20%					
Of which enabling		-	-	-	-	-	-	-	-	YES	YES	YES	YES	YES	YES	YES	0%	E				
Of which transitional		144	10% 10%							YES	YES	YES	YES	YES	YES	YES	6%	T				
<b>A.2. Activities eligible under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)</b>																						
Renovation of existing buildings	CCM 7.2 and CE 3.2	121	8%	EL	N/EL	N/EL	N/EL	EL	N/EL								11%					
Acquisition and ownership of buildings	CCM 7.7	304	20%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								31%					
<b>CapEx of activities eligible under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2.)</b>		<b>425</b>	<b>28% 28%</b>	-	-	-	-	-	-								43%					
<b>A. CapEx of activities eligible under the Taxonomy (A.1 + A.2)</b>		<b>816</b>	<b>54% 54%</b>	-	-	-	-	-	-								63%					
<b>B. Activities not eligible under the Taxonomy</b>																						
CapEx of activities not eligible under the Taxonomy		686	46%																			
<b>TOTAL (A. + B.)</b>		<b>1,502</b>	<b>100%</b>																			

**PROPORTION OF CAPEX FROM ECONOMIC ACTIVITIES THAT ARE ELIGIBLE AND/OR ALIGNED WITH THE TAXONOMY BY ENVIRONMENTAL OBJECTIVE - INFORMATION FOR THE YEAR 2024**

	Proportion of CapEx/Total CapEx	
	Aligned with the Taxonomy by objective	Eligible under the Taxonomy by objective
CCM	26%	54%
CCA	-	-
WTR	-	-
CE	-	18%
PPC	-	-
BIO	-	-

**PROPORTION OF OPEX CONCERNING PRODUCTS OR SERVICES ASSOCIATED WITH ECONOMIC ACTIVITIES ALIGNED WITH THE TAXONOMY - INFORMATION FOR THE YEAR 2024**

Economic activities	Code	OpEx	Proportion of OpEx, year N	Substantial contribution criteria		Do no significant harm criteria ("DNSH criteria")		Proportion of OpEx aligned with the Taxonomy (A.1.) or eligible under the taxonomy (A.2.), year N-1	Category of enabling activity	Category of transitional activity							
				Climate change mitigation	Climate change adaptation	Water	Pollution										
<b>A. Activities eligible under the Taxonomy</b>																	
<b>A.1. Environmentally sustainable activities (aligned with the Taxonomy)</b>																	
OpEx of environmentally sustainable activities (aligned with the Taxonomy) (A.1.)																	
Of which enabling										E							
Of which transitional										T							
<b>A.2. Activities eligible under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy)</b>																	
OpEx of activities eligible under the Taxonomy but not environmentally sustainable (not aligned with the Taxonomy) (A.2.)																	
A. OpEx of activities eligible under the Taxonomy (A.1 + A.2)																	
<b>B. Activities not eligible under the Taxonomy</b>																	
OpEx of activities not eligible under the Taxonomy																	
<b>TOTAL (A. + B.)</b>			<b>259</b>			<b>100%</b>											

**PROPORTION OF OPEX FROM ECONOMIC ACTIVITIES THAT ARE ELIGIBLE AND/OR ALIGNED WITH THE TAXONOMY BY ENVIRONMENTAL OBJECTIVE - INFORMATION FOR THE YEAR 2024**

	Proportion of OpEx/Total OpEx	
	Aligned with the Taxonomy by objective	Eligible under the Taxonomy by objective
CCM		
CCA		
WTR		
CE		
PPC		
BIO		

**NUCLEAR ENERGY AND FOSSIL GAS RELATED ACTIVITIES**

<b>Line</b>	<b>Nuclear energy related activities</b>	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
<b>Fossil gas related activities</b>		2
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

### 2.1.3 SOCIAL INFORMATION

#### 2.1.3.1 OWN WORKFORCE (ESRS S1)

Hermès, a family business with humanist values, offers its employees a human and responsible collective endeavour.

##### 2.1.3.1.1 Interests and views of stakeholders

See § 2.1.3.1.4 for more information.

##### 2.1.3.1.2 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The below table summarises the impacts, risks and opportunities concerning Hermès employees (company employees, excluding non-salaried personnel) relating to ESRS S1 (not specific to the entity) as well as policies implementing the Hermès "Hearts & Crafts" social model. In particular, with regard to risks and opportunities, Hermès has not measured actual material financial impacts on financial performance or cash flows.

Key internal stakeholders were involved in this process. Through its code of conduct and its vigilance plan, as described in § 2.4.1.3, Hermès presents its human resources management principles in terms of human rights.

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy
<strong>PEOPLE</strong>					
<strong>Teams</strong>					
<strong>Team health, well-being and development</strong>					
24	Impact of working conditions on employee health and safety	Negative impact	Direct operations	All time horizons	Actual Health and safety policy
25	Impact of working conditions on employees' human rights	Negative impact	Direct operations	All time horizons	Potential Policies currently being drafted
26	Impact of working conditions on employees' freedom of expression	Negative impact	Direct operations	All time horizons	Potential Employee dialogue policy currently being drafted
<strong>Diversity and Inclusion</strong>					
27	Impact of discriminatory practices on employees' human rights	Negative impact	Direct operations	All time horizons	Potential Vigilance plan, ethics charter, code of conduct Diversity and Inclusion Policy currently being drafted.
<strong>Savoir-faire</strong>					
<strong>Acquisition, enrichment and transmission</strong>					
28	Contribution to the employability of employees through the development of skills and savoir-faire	Positive impact	Direct operations	All time horizons	Actual Savoir-faire and skills development policy currently being drafted
29	Opportunity to improve performance through talent, savoir-faire and skills management	Opportunity	Direct operations	All time horizons	

## Link between impacts, risks and opportunities and the Hermès business model

As indicated in § 2.1.1.5, the risk analysis, prioritisation and action plan implementation process carried out on a recurring basis, particularly as part of the double materiality analysis and the vigilance plan, contributes to the resilience and sustainability of Hermès' strategy and business model. Hermès' model, anchored in exceptional craftsmanship and savoir-faire, places people at the heart of its corporate endeavour, paying particular attention to professional development and the fulfilment of each person in their work. Thus, Hermès recognises that the employees who make up its teams are essential to its success and that the impacts, risks and opportunities associated with them are closely linked to the Group's strategy and business model.

Particular attention is accordingly paid to the health and safety of employees (impacts on the health of employees related to occupational injuries or the development of occupational diseases due to degraded or inadequate safety conditions) as a result of Hermès' desire to promote a culture that is attentive to everyone. With regard to the Group's activities, impacts related to health and safety are more significant in manufacturing activities than in other métiers.

The opportunity to improve performance through the management of talent, savoir-faire and skills is also at the heart of the House's business model. The preservation and transmission of exceptional craftsmanship savoir-faire and the development of skills make it possible to maintain and develop the quality and creativity of Hermès' offering, and to strengthen the commitment of employees. Their efforts are essential to the success of Hermès' joint endeavour.

Hermès' humanist business model emphasises people and the constant development of their savoir-faire and skills. This also has an impact on the employability of the Group's employees.

The Group's other material impacts are not specific to Hermès' business model; however, Hermès pays particular attention to the following impacts:

- ◆ the impact of working conditions on the respect for employees' human rights, such as working hours, holidays and rest, adequate wages, job security, etc.;
- ◆ the impact of discriminatory practices and harassment in the workplace on employees' human rights;
- ◆ the impact of working conditions on employees' freedom of expression, including the non-respect of rights regarding dialogue with Group employees, freedom of association and collective bargaining.

The impacts are assessed and the prevention measures adapted to each of the Group's activities (see § 2.1.3.1.5 and § 2.1.3.1.6 for more information on this topic).

## Details regarding identified impacts, risks and opportunities

### Details regarding negative impacts

#### Employees concerned

- ◆ All the material impacts identified as part of the double materiality analysis, as well as the existing remediation efforts, concern all Hermès employees. However, certain impacts are more significant and affect certain categories of employees in particular. Thus, the impacts in terms of health and safety affect more specifically Hermès' employees located on the various manufacturing sites, the majority of which are located in France.

#### One-off nature of impacts

- ◆ The potential impacts identified during the materiality analysis are in most cases related to one-off cases:

- the negative impact of working conditions on the human rights of employees is not systemic but rather relates to one-off cases. The analysis conducted as part of the duty of care and the double materiality analysis confirms that there is no significant risk of forced labour or child labour in Hermès' own workers, either in France or internationally. Hermès also emphasizes the fact that 62% of its employees are located in France, and thus benefit from protective regulations in terms of human rights;

Discriminatory practices and harassment in the workplace are one-off events, as confirmed by the number of alerts reported during the year on this subject (see § 2.1.4.2);

- the impact of working conditions on employees' freedom of expression is also a one-off potential impact, considering, for example, that reports on human rights mainly relate to harassment and discrimination (see § 2.1.4.2).

However, as indicated above, the employees who craft Hermès products are more specifically concerned by the negative impact on physical health and safety concerns - a natural result of their activity and therefore a systemic impact. Employees who mainly occupy positions in sales and support teams are significantly less affected by systemic exposure to risks, thus illustrating the differences in impacts depending on the employee populations concerned.

The Group's Health and safety policy establishes a self-assessment of sites with regard to the major risks defined by the Group. This self-assessment system is supplemented by a programme of site health, safety and risk culture audits carried out by an independent third party. These audits make it possible to enrich the operational roadmaps of the sites and to ensure a proper understanding of the specific risks to which employees are exposed.

Lastly, Hermès' decentralised organisation and its desire for proximity (sites at a "human scale") make it possible to know precisely and locally the specific risks to which employees are exposed through risk assessments at workstations. Local responses, adapted to the context of the entity or site are preferred and allow specific situations to be targeted.

A centrally coordinated network of EHS professionals enables the sharing of best practices and facilitates upward and downward information flows.

### **Details regarding positive impacts**

#### *Nature of impacts and employees concerned*

- ◆ The Hermès business model, anchored in craftsmanship, places training, development and preservation of savoir-faire at the heart of the Company's strategy. The Group supports and strengthens its craftsmanship model and the sustainability of its culture through the following actions:
  - the École Hermès des Savoir-Faire (EHSF) in France aims to encourage careers in craftsmanship and promote apprenticeship through work/study contracts teaching the skills of the métiers within the relevant CFA (apprentice training centre). It supports future craftspeople (saddler-leatherworkers, leather cutters and preparers, mechanics), employees from the moment they are hired, and provides diploma training courses throughout France;
  - the École des artisans de la vente is intended for distribution teams in France. It consolidates its ambition based on four pillars: Emotional Intelligence, Networking and Transmission, Growing without Formatting, A School of Uniqueness. Similar initiatives also exist in other Group countries;
  - Hermès Bijouterie Académie is specifically intended for the sales teams of Hermès stores worldwide, specialising in Jewellery;
  - Hermès Campus is responsible for transmitting the Group's unique culture and meeting the strategic challenges of today and tomorrow. Its multi-modal, face-to-face and remote training offer meets the development needs of all categories of personnel. A number of very unique Hermès programmes are rolled out each year to support leaders, young talents and employees looking for mobility (see § 2.1.3.1.6 for more information on the training actions carried out in this area in 2024).

### **Details regarding opportunities**

#### *Employees concerned*

- ◆ Hermès' success is based on a collective effort. The Group believes that all of its employees contribute to its development and influence. Two categories of employees have a particularly significant impact on the House's results, and thus are more closely linked with the opportunity to improve performance through management of talents, savoir-faire and skills: craftspeople (who are primarily based in France) and sales associates.

Talent management within the Group makes it possible to identify expert craftspeople who have valuable technical savoir-faire and that they are able to pass on. These craftspeople are valued and encouraged to share their skills as part of established succession plans. The sales associates embody all aspects of the customer experience in a Hermès store. Specific onboarding programmes as well as training in customer culture and expert product knowledge are regularly offered to this population.

#### **2.1.3.1.3 Policies related to own workforce (S1-1)**

Each of the material impacts, risks and opportunities identified as part of the double materiality assessment is subject to a shared Group approach: a global strategic framework that shares a common reference base, while encouraging varied local actions, adapted to the specific contexts of each entity.

#### **Health and safety policy**

Committed to its role as a responsible employer and true to its humanist values, Hermès aims to guarantee all its employees a working environment conducive to their well-being and has thus set the ambition of zero occupational injuries.

The Group's Health and safety policy, formalised in 2023, aims to create a common strategic framework that helps preserve the health and ensure the safety of employees and prevent occupational injuries. It is structured around four areas:



Managing Health and Safety performance

These four areas are broken down into 13 commitments, which are tailored to the particular nature of each activity and each country.

This policy follows market practices and is supported by an internal network dedicated to Hermès' health and safety culture and risk management. It aims to create a common strategic framework that contributes to preventing risks, preserving the health and ensuring the safety of employees, advancing the Group's safety culture, and managing related performance. Prepared by a working group made up of representatives of the French stores, the métiers, support services, the Group human resources department and the industrial

department, the Health and safety policy was signed by the Group Director of Human Resources and validated by the Executive Committee. It is updated every three years and available to employees via the Group's website and intranet. It is also shared through an awareness-raising process detailed in § 2.1.3.1.6.

#### **Employee working conditions policy**

Hermès aims to guarantee all its employees an environment and working conditions conducive to their well-being, and enabling them to reconcile their professional and personal life. This ambition is based on several key engagements:

- ◆ accompany and provide support adapted to different life stages by supporting employees who are parents, caregivers and employees in vulnerable situations. A company agreement regarding this has been set up in France;
- ◆ enable employees, through local initiatives, to benefit from flexibility, ensuring a balance between personal and professional lives, and whose terms are adapted to the constraints of each entity (working arrangements, flexible hours);
- ◆ measure the health and well-being of employees every two years through a Group survey, "Hermès Hears".

Furthermore, as the physical work environment constitutes a significant element of working conditions, the physical working environment is governed by the "Harmonie" framework (developed and implemented by the real estate department).

In addition to the working environment, Hermès has launched a project to roll out a core social protection system for all its employees worldwide, formalised in a Group social protection policy, and structured around five social protection pillars (parenthood, health, personal protection, life insurance and retirement).

Lastly, Hermès provides its employees with individual and collective compensation that respects their commitment to their desire to share the value created. Hermès offers democratic employee stock ownership plans, for which all employees are eligible subject to length of service conditions.

Specific policies related to employee working conditions (accompany and provide support adapted to different life stages and compensation) are currently being drafted for finalisation in 2025 and comply with the principles, standards and international agreements listed in the "Reference to international frameworks" chart below, taking into account all material sustainability matters presented.

#### **Employee dialogue policy**

It is Hermès' policy to constantly ensure that it implements and guarantees high quality dialogue with Group employees and freedom of expression for all employees. These exchanges with Group employees, which are essential to the Company, takes several forms in order to allow employees' interests to be taken into account in the Group's strategy:

- ◆ structured dialogue at the entity-level, with collective time for sharing and mutual listening;
- ◆ an emphasis on the employee-manager relationship, guaranteed by working environments on a human scale and reserved time between managers and employees;
- ◆ several channels for free and safe expression, through the Hermès Hears survey and the provision of the H-Alert! whistleblowing channel. The results of the Hermès Hears survey give rise to specific local action plans;

- ◆ structured dialogue with Group employees adapted to countries with employee representation.

For more information on these topics, see § 2.1.3.1.4 and 2.1.3.1.6.

In France more specifically, i.e. 62% of the Group's employees, dialogue with Group employees is organised at both the entity and Group level, through employee representation bodies set up according to the organisation of the various divisions or sites. These bodies are regularly consulted in relation to projects relating to the Company's business activity.

The Group ensures that there is a consistent and harmonious application of these systems in France, and that each entity builds and maintains lasting relationships with their stakeholders.

A policy formalising this constructive, participatory and regular approach to dialogue with employees is being drafted and will be finalised in 2025. It will cover topics related to respect for human rights specified in § 2.1.3.1.3.

#### **Diversity and inclusion policy**

Through the House's métiers, creations, savoir-faire, distribution network and customers, diversity is deeply rooted within Hermès. In line with its humanist values, inclusion and the well-being of all are essential to exist harmoniously together.

Following a diagnostic carried out in 2021, the House structured its ambition and explained three areas of commitment to serve as a reference framework for local action plans.

The Diversity and inclusion approach for the entire Hermès Group is thus structured around a common commitment:

- ◆ fight against all forms of discrimination;
- ◆ promote gender equality;
- ◆ promote the inclusion of people with disabilities.

A dedicated governance for Diversity and Inclusion covering all entities has been established through a network of Diversity and Inclusion officers and ambassadors, with some specifically dedicated to disability. Their role is to give visibility on these issues to employees, roll out the global strategy, and develop specific initiatives according to local issues. These efforts are reflected in the employment rate of people with disabilities in France of 7.12%<sup>(1)</sup>.

This network is coordinated regularly via meetings, annual seminars, webinars and ad hoc discussions on specific topics with the Diversity and Inclusion officers. It meets at an annual seminar to further officers' skills and knowledge regarding Diversity and Inclusion, share best practices and give momentum to their local Diversity and Inclusion ambition.

1. This figure is taken from the DOETH (declaration on the obligation to employ workers with disabilities in France) drawn up in May 2024 for the year 2023. This mandatory declaration tracks the number of employees with disabilities according to their actual presence time (FTE from 01/01/year N to 31/12/year N).

A policy formalising this approach is being drafted for publication in 2025. For further information on the Diversity and Inclusion actions taken in 2024 and those planned for 2025, please refer to § 2.1.3.1.6. This policy will cover all grounds for discrimination mentioned by EU regulations and national law; it should be noted that the Hermès Code of conduct also covers these grounds for discrimination. Additional information is presented in § 2.1.3.1.5 regarding the channels available to employees to report any alerts.

#### **Skills and savoir-faire development policy**

Hermès strives to offer development opportunities conducive to the success and fulfillment for all, and thus undertakes to develop the employability of its employees through access to training adapted to all. Savoir-faire is one of the Group's key intangible assets, which contributes to its long-lasting success. Hermès Campus continues to structure itself and support employees through multimodal training courses.

More specifically, the excellence of craftspeople's savoir-faire is at the heart of Hermès' business model and constitutes a considerable heritage. The Group's craftsmanship model creates the conditions needed to enable each craftsman's learning and development. Hermès supports and strengthens its craftsmanship model through its internal training schools: the École Hermès des Savoir-Faire, in conjunction with the French Ministry of Education and the Ministry of Employment, offers diploma and certification training to production craftspeople; the École des Artisans de la Vente supports the Retail métiers; and the Hermès Bijouterie Académie strengthens the unique expertise of the Jewellery métiers.

In 2024, in order to anchor the Group's development, savoir-faire & employability ambition, the Group drafted a Group-wide policy (which is currently being finalised).

#### **Human rights policy**

Hermès does not tolerate any conduct that takes the form of behaviour, words, actions, gestures or writings that could infringe an employee's human rights. The House is committed to ensuring that its working conditions enable employees to flourish and develop personally and professionally. Preventing and combating infringements on employees' human rights and efforts to guarantee a work environment conducive to their well-being are therefore among Hermès' priorities.

The Group's policy is to adhere to universally recognised ethical principles, particularly those concerning human rights and the fight against corruption, and to ensure that they are implemented in its operations. This policy is formalised by several charters and codes, validated by the Executive Committee, and published in particular in the vigilance plan, aligned with these fundamental principles.

Furthermore, the Hermès Group and all its employees strive to comply with the laws and regulations applicable in all countries where they operate. These principles have been clearly set forth in the Group's ethics charter since 2009 and in its code of business conduct since 2012, given to all employees and are available on the Group intranet, as well as on the website <https://finance.hermes.com/en/>. The processes and mechanisms for monitoring compliance with these principles, standards and international agreements are specified in § 2.1.4.3.

In terms of governance, the Ethics Committee oversees all ethics issues, particularly those relating to human rights. Established in 2018, it is chaired by the Executive Vice-President Corporate Development and Social Affairs, a member of the Executive Committee, and composed of the Director of Human Resources, who is also a member of the Executive Committee, the Group Director of Social Relations, General Counsel and the Chief Compliance Officer.

For further information on the actions taken in this regard in 2024 and those planned for 2025, please refer to § 2.1.3.1.6.

#### **Reference to international frameworks**

Hermès is committed to promoting respect for human rights and fundamental freedoms and, as such, undertakes to comply with the principles, standards and international agreements listed in the table below. Hermès' social policies, which are currently being formalised and designed to provide a framework for practices governing all employees, comply with this framework.

### **MAJOR INTERNATIONAL ETHICS PRINCIPLES**

#### **The Universal Declaration of Human Rights**

#### **The Charter of fundamental rights of the European Union**

#### **The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the ILO Fundamental Conventions**

#### **The OECD Guidelines (2023) for Multinational Enterprises**

#### **The Global Compact under the aegis of the United Nations**

As mentioned above, the Group's policy is to adhere to universally recognised ethical principles, particularly those concerning human rights and the fight against corruption, and to ensure that they are implemented in its operations. This policy is formalised through several additional charters and codes, validated by the Executive Committee, in line with fundamental principles such as the Universal Declaration of Human Rights, the rules of the ILO (International Labour Organisation), the OECD (Organisation for Economic Co-operation and Development) and the United Nations Global Compact for sustainable development. Furthermore, the Hermès Group and all its employees strive to comply with the laws and

regulations applicable in all countries where they operate. These principles have been clearly set forth in the Group's ethics charter since 2009 and in its code of business conduct since 2012, provided to all employees and are available on the Group intranet, as well as on the website <https://finance.hermes.com/en/>. The processes and mechanisms for monitoring compliance with these principles, standards and international agreements are specified in § 2.1.4.3.

Hermès regularly interacts with its employees on the subject of human rights via the communication channels detailed in § 2.1.3.1.10 concerning dialogue with Group employees; refer also to § 2.1.3.1.6 concerning the actions carried out in this regard.

Although the analysis carried out as part of the duty of care as well as the double materiality analysis confirm that there is no significant risk regarding forced labour or child labour in Hermès' workforce, either in France or abroad, the Hermès Group nevertheless adheres to the Charter of fundamental rights of the International Labour Organisation, which covers the fight against forced labour, child labour and the fight against discrimination. These principles, described in the ethics charter and presented in § 2.1.4.3, as well as in the supply chain briefs, apply to Group companies and their suppliers, who are obligated to comply with it.

#### **2.1.3.1.4 Processes for engaging with own workforce and workers' representatives about impacts (S1-2)**

As mentioned in § 2.1.3.1.3, Hermès is convinced that it is essential to understand the employees' experiences and their feedback from the field in order to guarantee a relevant strategic corporate approach.

This conviction is reflected in a partnership-based approach to dialogue with employee representatives that takes into account their expectations, going beyond regulatory requirements for dialogue.

More specifically, there are widespread collective dialogue initiatives and mechanisms in all countries and all métiers, making it possible to directly collect employee expectations and opinions and enable them to get involved in various projects.

A mechanism for hearing all employees (Hermès Hears survey) exists with, depending on the issues raised, action plans co-constructed locally in all entities. For example, in France, employee representatives are involved in the process via the Social and Economic Committees.

For more information on arrangements for dialogue with employees, please refer to § 2.1.3.1.4.

Hermès' Director of Social Development ensures the consistent and harmonious application of employment law in France and ensures that each entity builds and maintains lasting relationships with social partners.

#### **Collective agreements**

Numerous collective agreements are signed with Hermès employees in the French entities each year on various themes, such as quality of life at work, compensation, dialogue with employees and working conditions, demonstrating the vitality of employee dialogue at Hermès.

In order to strengthen high-quality, effective and constructive dialogue with employees at all levels, a continuation of the dialogue agreement with employees was signed in 2021, for all of the Group's activities in France (see § 2.1.3.1.3). This agreement includes a series of measures intended to encourage and promote dialogue with employees thanks to:

- ◆ more awareness of the dialogue mechanisms available to employees through communication actions relating to workplace elections in order to promote employee engagement and the feedback on their views;
- ◆ strengthening of interactions between the players involved in dialogue with Group employees via annual gatherings for management and employee representatives;
- ◆ development of the skills of the players involved in dialogue with Group employees through a training course throughout their term of office.

As another example of this commitment, a Group Disability agreement (France) 2024-2026 (signed in November 2023 and which entered into force on 1 January 2024) was co-constructed and negotiated with trade union coordinators, from the representative unions and the Group social development department, during several working meetings to discuss and consider issues, each party providing its perspective on the needs of employees with disabilities.

The agreement was signed unanimously by the four trade unions represented at Group level.

This agreement enables the Company to best support employees with disabilities, whatever their geographical location and métier, with: the help of disability officers in each entity; the support of on-site human resources teams (in charge of rolling out the agreement); where applicable, a network of healthcare professionals (nurses able to assess the needs of employees with disabilities, encourage their recognition as workers with disabilities and manage any technical or organisational workstation adjustments); and finally Disability ambassadors (volunteer employees trained in disability issues), who help to embody and implement the House's ambition as close as possible to the teams.

For more information on the coverage rates of the various mechanisms for collective bargaining and dialogue with Group employees, see § 2.1.3.1.10.

#### **Measurement of dialogue effectiveness**

The implementation of the dialogue mechanisms mentioned in the previous paragraph is accompanied by methods for assessing their effectiveness. Commissions for monitoring dialogue with Group employees, which are held several times a year, monitor the implementation of the agreement on the renewal of dialogue with Group employees. The results of the Hermès Hears survey, conducted worldwide every two years, also make it possible to monitor effectiveness. Interviews also take place every year. In addition, as previously mentioned, the H-Alert! line is available 24/7, and the whistle-blower is always informed of the decision taken, thus demonstrating the effectiveness of the system.

### Listening to employees in vulnerable situations

Following a dialogue and feedback process with employees in vulnerable situations, made possible by feedback via human resources and employee representatives, the agreement on "Accompanying and providing support adapted to different life stages" was negotiated and signed in July 2023 for all Group companies in France. This agreement aims at:

- ◆ supporting caregiver employees;
- ◆ supporting parenting before and upon arrival and following the birth of a child;
- ◆ preventing and supporting people in vulnerable situations: long-term illnesses, professional burnout, bereavement, domestic violence, addictions or debt.

As detailed in the previous paragraphs, a Group Disability Agreement was signed in 2023 in France. The network of Diversity and inclusion officers and Disability ambassadors has also been extended

internationally. This network of officers connect at least every quarter so that they can discuss the issues they are facing and best practices (organisation of job shadowing "DuoDays", expert services, mentoring, etc.). These moments of discussion, with the dialogue mechanisms detailed in § 2.1.3.1.4, enable Hermès to hear the points of view of all employees, including those in situations of potential vulnerability (disability, women, caregivers and others).

### 2.1.3.1.5 Processes to remediate negative impacts and channels for own workforce to raise concerns (S1-3)

For more information on the processes for engaging employees and their representatives, please see § 2.1.3.1.4. The coverage rates of the various schemes relating to collective bargaining and dialogue with Group employees are presented in § 2.1.3.1.10.

As a general approach, the remedy procedures for negative impacts may be different depending on the material issues identified by the double materiality analysis.

Material theme	Remedy procedures for negative impacts	Channels for Hermès employees to express their concerns & how to access them
Health and safety	<p>Depending on the country where the accident occurred, application of local law, with a view to compliance</p> <p>Structured and collective analysis of the causes of the accident and implementation of action plans followed until the closure of the incident</p> <p>Any reassessment of risks related to workspaces;</p> <p>Verification of the absence of potential reoccurrence (workstation adjustments, restrictions on certain tasks, managerial and/or medical follow-up if necessary)</p> <p>Assessment of the effectiveness of actions by monitoring quantitative indicators (see § 2.1.3.1.7)</p> <p>All actions detailed in § 2.1.4.1.3</p>	<p>Managerial line (accessible via regular discussions and formal end- and mid-year interviews)</p> <p>Use of human resources teams (accessible via email or appointment; initial contact made via an onboarding interview with new employees)</p> <p>Use of social partners (lists of social partners are posted in all relevant entities)</p> <p>System for reporting alerts: H-Alert! (accessible 24/7 worldwide where Hermès is present, in 21 languages)</p> <p>Hermès Hears (survey every two years, sent to all Hermès employees)</p>
Human rights	<p>Compliance with local law</p> <p>Implementation of the approach: prevention, training, alerts</p> <p>Assessment of the effectiveness of actions by monitoring quantitative indicators (see § 2.1.3.1.7)</p> <p>All actions detailed in § 2.1.4.1.3</p>	
Dialogue with Group employees	<p>Compliance with local law</p> <p>Monitoring by management and human resources teams of the corrective action plans implemented</p> <p>Assessment of the effectiveness of actions by monitoring quantitative indicators (see § 2.1.3.1.7)</p> <p>All actions detailed in § 2.1.4.1.3</p>	
Discrimination	<p>Compliance with local law</p> <p>Formalisation of the Diversity and inclusion policy that will serve as a framework for Hermès' action plans</p> <p>Training (unconscious bias and micro-inequalities)</p> <p>Assessment by management and human resources of the effectiveness of measures</p> <p>Assessment of the effectiveness of actions through the monitoring of quantitative indicators (see § 2.1.3.1.7)</p> <p>All actions detailed in § 2.1.4.1.3</p>	

As explained in § 2.1.3.1.4, various mechanisms exist for listening to employees and contributing to dialogue with Group employees at Hermès: the presence of dialogue mechanisms specific to each entity, a local managerial relationship, additional channels for free and secure expression (through the Hermès Hears survey or the H-Alert! whistleblowing channel) or employee representation where dialogue with Group employees is structured.

#### Mechanism for handling complaints

In accordance with laws and in order to boost the fight against breaches of ethics and integrity, in 2019 the Group set up a global whistleblowing system called H-Alert! The H-Alert! whistleblowing system is accessible to all Group stakeholders, both internal and external, whether via the HermèsSphère intranet site (Group intranet site accessible to all employees) or via the website <https://finance.hermes.com/en/>. This platform is a third-party mechanism, available in 21 languages to ensure its proper distribution. Employees are informed of the availability of H-Alert! and its operation (detailed in § 2.1.4.2) via the following mechanisms:

- ◆ during the ethics and anti-corruption training, which is mandatory for all employees at least every two years;
- ◆ in the guide made available to all new employees and distributed at the time of their onboarding;
- ◆ in the code of business conduct and the anti-corruption code.

Any employee who believes that he or she is a victim or is a witness to such a situation is invited to inform their manager, a human resources manager or an employee representative as soon as possible or to report it through the H-Alert! professional whistleblowing system, which guarantees the confidentiality of exchanges.

In France, Group rules provide for mechanisms that make it possible to examine and address any situation relating to moral or sexual harassment, sexist behaviour or sexual aggression, with complete neutrality and impartiality, through the systematic establishment of an internal joint inquiry commission with a representative of management and an employee representative of the Social and Economic Committee. To support them in this role, an internal investigation procedure established that describes the different stages of an investigation, the precautions to be taken and the role of the various stakeholders.

#### Processing of alerts

Upon receipt of an alert, an acknowledgement of receipt is systematically sent within seven days of receipt.

The admissibility of alerts is processed within a maximum of one month and, if the alert is pertinent, it is immediately assigned to the entity concerned by the subject reported. The admissibility of reports on social issues (*i.e.* discrimination, harassment) is analysed by the human resources department. The admissibility of other reports is made by the Ethics Committee, which includes two members of the

Hermès Executive Committee. Reports relating to social issues are dealt with by the Human Resources Manager or the local Director of Human Resources (outside the managerial line against which the complaint is made) and its follow-up is shared with the Ethics Committee. Other reports are handled by a person appointed by the Ethics Committee according to their topic (*i.e.* purchasing department, legal department). Where appropriate, these alerts may be investigated to determine whether the case is proven or not.

Regular discussions take place throughout the procedure with the person who made the alert in order to keep them informed during the process and to ask for clarifications if necessary. The person making the alert is informed of the planned measures within three months of receiving notification of the alert.

A decision is then taken locally to close the case and take all necessary measures.

Hermès continues to work on safeguarding the effectiveness of the system, namely *via*: 1/ the protection of whistle-blowers and the guarantee of confidentiality 2/ broad access and visibility of the system internally and externally 3/ monitoring of all ongoing cases by the Ethics Committee and their closure, thus demonstrating the effectiveness of the system.

For more information on H-Alert!, please refer to § 2.1.4.2.

#### Trust and effectiveness of whistleblowing mechanisms

Trust in the H-Alert! system can be measured by the number and types of alerts reported. Thus, the current trend in the number of alerts (see § 2.1.3.1.19) demonstrates continued confidence in the system, which also ensures complete confidentiality.

The Company undertakes not to impede access to legal or other available mechanisms, including mediation processes, for any person reporting negative impacts, especially on human rights, and also to protect the whistleblower. For more information on whistleblowers, see § 2.1.4.2.

#### 2.1.3.1.6 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions (S1-4)

Hermès' organisational model leaves room for the autonomy of its various métiers, each of which encounters their own unique situations. The Group establishes an ambition and a strategic framework, then encourages local action plans that are adapted to the entities' specific contexts. The actions described below are those conducted in 2024 at Group level.

The ambition of all the planned actions described below requires high-quality human resources and the provision of dedicated infrastructure and financial resources, and are described in § 2.1.3.1.6.

### **Human rights actions**

As indicated in section § 2.1.3.1.3, Hermès does not tolerate any conduct that takes the form of behaviour, words, actions, gestures or writing that may harm the dignity, physical or psychological integrity of a person, thus undermining his or her person or employment, or degrading the social climate. Hermès is committed to ensuring that working conditions enable employees to flourish and develop professionally. Preventing and combating infringements on the human rights of employees and efforts to guarantee a work environment conducive to employee well-being are therefore among the House's priorities. As indicated in the Company's vigilance plan, Hermès operates in countries with a low risk of human rights violations, thanks to robust legislation in this area. The House relies on its network of human resources professionals and employee representatives to ensure, at the most local level, that these important laws relating to human rights in the workplace are respected wherever the Group operates.

In 2024, this constant monitoring continued, via the following methods:

- ◆ the alert tools in place (H-Alert!);
- ◆ tools for monitoring working hours to ensure compliance with local laws;
- ◆ a study conducted on the living wage, confirming that Hermès offers a living wage to its employees worldwide;
- ◆ the annual update of the vigilance plan, confirming that for Hermès the risk of infringements of human rights remains minimal;
- ◆ training on employment law offered to employee representatives;
- ◆ mandatory ethics and anti-corruption training given to new employees (and to all employees every two years);
- ◆ social audits carried out for any potential vertical integration of entities, based on a checklist of social issues with corrective action plans drawn up if necessary;
- ◆ annual assessments carried out by the internal control teams of each Hermès entity to ensure compliance on subjects including employment law, with corrective action plans drawn up in the event of areas identified for improvement;
- ◆ the local rollout of awareness-raising and training actions in terms of harassment prevention.

These actions will continue in 2025, with the adequate human and financial resources to ensure that the rights of Hermès' employees are respected.

### **Health and safety actions**

Committed to its role as a responsible employer and true to its humanist values, Hermès aims to guarantee all its employees a working environment conducive to their well-being, as part of a zero

occupational injuries trajectory. As described in § 2.1.3.1.3, the Health and safety policy establishes a strategic framework, structured around four axes, with the aim of preserving the health and ensuring the safety of its employees: preventing risks, preserving the health of employees, advancing the health and safety culture, and managing health and safety performance. Each entity translates its commitments into an operational roadmap. Details of actions to support people who may be affected by occupational injuries are available in § 2.1.3.1.5.

In 2024, Hermès set the ambition to make a sustained effort on the third pillar of this policy, "Advancing the health and safety culture". Initiatives were thus rolled out throughout the Group to strengthen the culture of health and safety within all of the House's entities. The objective is to develop the ability of the Group's managers to inspire and influence employees to adopt safer behaviours, as well as to involve and empower all employees in health and safety initiatives. This requires regular enrichment with best practices from local feedback.

More concretely, the major initiatives in 2024 were as follows:

- ◆ organisation of the first health and safety awareness-raising day at Group-level, involving members of the Executive Committee and members of management. This event made it possible to develop the concept of shared vigilance and to increase everyone's involvement in prevention initiatives;
- ◆ organisation of a safety awareness day entitled Positive Safety, bringing together managers from the industrial scope to continue to raise awareness of health and safety issues, to be inspired by best practices and to commit to health and safety initiatives;
- ◆ rollout worldwide of a training initiative by the industrial métiers department in order to engage people in Health and safety topics and give them the keys to developing their own safety requirements.
- ◆ communication and rollout of a major risk framework to all manufacturing sites.

These initiatives complement the activities of the Group EHS<sup>(1)</sup> network, which meets twice a year to share best practices and innovative health and safety projects, continue to develop skills, and align approaches around Group initiatives. Webinars for the entire EHS community (EHS managers, Health and safety officers (occupational nurses), EHS facilitators) are also offered several times a year with the same objectives. EHS networks coordinated across the métier complete the central system, enabling alignment at the site level.

In 2025, Hermès plans to continue its actions related to the development of its culture of safety, as well as its preventive actions in terms of employee health and safety.

1. EHS: Environment, Health and Safety.

#### **Actions in terms of working conditions**

Actions have been put in place to ensure that employees' working conditions are respected and contribute to the flourishing of employees. In this respect, and as mentioned in § 2.1.3.1.3, a policy to accompany and provide support to employees adapted to different life stages is being formalised and will provide a framework for these actions.

In 2024, in order to ensure a working environment conducive to the professional success of all, it was decided to expand the rollout of the Hermès Hears survey across all Group entities. This survey made it possible to draw up an inventory of Hermès' strengths and its areas for progress on these topics. This system for listening to employees' concerns implies taking action and the implementation of concrete initiatives as part of a continuous improvement approach, at all levels of the company, for and thanks to dialogue with the teams and the use of its strengths. The Hermès Hears system is intended to be renewed every two years, in order to measure the impact of the actions that have been implemented. Following feedback to local teams, action plans are currently being drawn up and their rollout will continue in 2025.

#### **Employee dialogue actions**

As indicated above, Hermès' policy is to constantly ensure the implementation and guarantee and ensure quality dialogue with employees as previously mentioned and freedom of expression for all employees. This dialogue with employees takes the form of close relationships with the teams and through employee representatives and collective bargaining.

In order to strengthen this dialogue with Group employees, an agreement to renew dialogue with Group employees was signed with the representative trade unions in France in 2021. In 2024, the application of the agreement on the renewal of dialogue with Group employees in this French context was continued, with many measures intended to encourage and promote dialogue with Group employees, such as:

- ◆ communication campaigns carried out on employee representative elections to share information on the essential role of employee representatives, elections and practical details regarding voting;
- ◆ an annual gathering of management and employee representatives to foster discussions on Group agreements and best practices in dialogue with employees. In 2024, this day was dedicated to sustainable development;
- ◆ meetings between employee representatives and their managers on the exercise of their mandates and the reconciliation of this with their professional activities, in order to allow better coordination of the mandate and the professional activity; and
- ◆ regulatory and specific training on subjects including the art of negotiation, employment law management, public speaking, project management, sustainable development, cross-functional management and time management are arranged by Hermès in order to promote the development and enhancement of the skills of the representatives.

In 2025, these efforts will continue, with the addition of a planned renegotiation of the collective agreements relating to the Group Works Council (a body that meets once a year in France).

#### **Diversity and inclusion actions**

The commitment as a responsible employer implemented within the Group consists of combating all forms of discrimination, in each entity, in France and internationally (more information on diversity and inclusion and Hermès' approach to this subject can be found in § 2.1.3.1.3). A shared Group approach to diversity and inclusion enables awareness to be raised and stakeholders to be trained on diversity, unconscious bias and micro-inequalities, in order to be aware and neutralise stereotypes in decision-making.

In 2024, as with every year, efforts to raise awareness of the risks of discrimination and the existence of unconscious bias continued in a number of different formats, targeting several populations of employees.

The human resources communities, managers and employee representatives followed various training modules with the aim of promoting inclusion, explaining the richness of difference for the Company and thus strengthening fair management in access to employment and career management.

Awareness-raising events are held each year on the theme of inclusion. For example, the annual Disability Forum brings together all of the House's internal players with time for inspiration, discussion and engagement, or the D&I seminar, with all stakeholders involved in the subject of diversity.

In 2025, awareness-raising efforts will continue in the same spirit, in order to share Hermès' culture as a responsible employer and to be a driver of the House's ambition of inclusion and non-discrimination. The House will also continue to make whistleblowing systems available, with investigations conducted and situations treated as described in § 2.1.3.1.5.

The progress of actions and action plans are monitored through the implementation of indicators and targets. As a reminder, the aim is to formalise a policy on this subject in 2025. For more information on the progress indicators for 2024, see § 2.1.3.1.7.

#### **Actions to develop skills and savoir-faire**

Hermès aims to grow the Company and enable each employee to grow with it, by offering a framework conducive to individual achievement and collective success.

True to its craftsmanship model, Hermès pays particular attention to the preservation and transmission of exceptional savoir-faire. Recognising this savoir-faire, reinforcing it and passing it on, as well as enabling everyone to find the best conditions for their personal development.

In this context, Hermès Campus has initiated and then in 2024 strengthened new multimodal and international skills development paths for buyers, industrial directors, collection developers, store directors, sales associates and managers, with the dual ambition of enhancing technical skills related to the evolution of their métiers in order to transform their practices and developing behavioural skills, including emotional intelligence. At the same time, Hermès continues to develop multimodal programmes for everyone, in the areas of corporate culture, management, expertise and personal development. To do this, the House developed several training offers in 2024,

resulting in an average of 23 hours of training per employee trained:

- ◆ in order to enable employees to master the knowledge necessary for the Group's ambitions in terms of sustainable development, the Académie Hermès du développement durable was created in June 2024 with four main training areas: the fundamentals, climate change, biodiversity and water. Thanks to a dedicated page on the digital training platform (my Campus), this training system is made available to employees with e-learning content and videos in partnership with AXA Climate School. A half-day in-person training session completes this system. Hermès Campus also ensures the dissemination of the principles of sustainable development in existing in-house culture training courses;
- ◆ the onboarding offer for new employees was made available via my Campus in a multimodal and international format with a virtual classroom enabling everyone to learn about the House ("Welcome to 24") in addition to face-to-face sessions conducted locally and/or at Group level, to ensure that all employees have a complete, high-quality and long-term understanding of the House's culture. As the Hermès culture is particularly unique and strong, understanding it is essential;
- ◆ in order to train all store employees on products, new collections and the art of selling, a digital offer was created, consisting of two hours of content per month that employees can access freely;
- ◆ a training programme on Hermès' conventions, more specifically in-store sales rituals, was also created and rolled out, in order to participate in the sales savoir-faire and spread the House's culture to in-store employees;
- ◆ the first level of an internal in-house Supply Chain course for all employees in the métier has been created so as to develop employees' specific skills and their tailor-made career paths and is being rolled out;
- ◆ the content of training offers is continuously being enriched and improved to respond to the development of employees' skills and the issues of the House's business model.

In 2025, new topics will enrich training offers on sustainable development, management and métier expertise.

In addition to these training offers detailed above, Hermès is committed to preserving the savoir-faire, one of the Group's key assets, notably through the École Hermès des Savoir-Faire in France ("EHSF"; see § 2.1.3.1.3 for more information). The purpose of the EHSF is to promote craftsmanship métiers and to encourage work/study apprenticeships in métiers of excellence within the associated CFA. In order to enable employees to fully invest in their training and improve access to exceptional craftsmanship métiers, all learners in these training institutions are paid as soon as they join the institution, regardless of their previous situation. To address these issues, the following actions were carried out in 2024:

- ◆ several new schools were opened in France, for a total of 10, with nearly 700 learners supported during the year;
- ◆ the EHSF courses have been extended to an 18-month format, in order to allow craftspeople to be monitored over the long term, until they become independent;
- ◆ the Professional Aptitude Certificate (CAP) has been revised and implemented in order to address the leather goods métier in all its forms, including both industrial and handcrafted leather goods production; 355 learners obtained their CAP during the year;
- ◆ the Validation of Acquired Experience ("VAE")<sup>(1)</sup> system was set up and makes it possible to promote the acquisition of skills internally for craftspeople in order to strengthen their employability and perpetuate French savoir-faire;
- ◆ several new Cutter et Stitching courses (CQP) were created, also strengthening the employability of craftspeople and ensuring the consistency and quality of the training offered;
- ◆ the EHSF's quality approval (Qualiopi) was renewed, making it possible to confirm compliance with the learning requirements and to certify quality courses within the EHSF.

In 2025, new educational innovations with the help of virtual reality (VR) will be rolled out to enhance the material used during the exercises and allow better accessibility for people with disabilities. A repair programme will also be rolled out to strengthen the sustainability of Hermès' savoir-faire and the reparability of the Group's creations. In addition, Hermès will continue to develop its external communication in order to promote its savoir-faire and improve access to its métiers.

For more information on the Hermès Skills Development & Savoir-Faire policy currently being drafted, please refer to § 2.1.3.1.3.

#### Details of actions taken in response to impacts

As a general approach, the remediation procedures for negative impacts may be different depending on the issues identified as material by the double materiality analysis. The remedial measures mentioned in § 2.1.3.1.5 and the preventive actions described above are supplemented by the procedures for employee dialogue specified in § 2.1.3.1.4.

To remedy an actual or potential negative impact, Hermès has put appropriate measures in place. In order to anticipate and prevent impacts, Hermès uses a framework consisting of its policies, the ethics charter, the rollout of awareness-raising actions and mandatory training (fight against discrimination, safety, etc.). Moreover, the mechanisms for dialogue with employees (managerial interviews, Hermès Hears Group survey, etc.) and whistleblowing systems make it possible to report the occurrence of negative impacts identified as part of the double materiality analysis and identify those concerned (H-Alert!).

1. A programme giving professionals the opportunity to obtain a diploma that recognises their skills acquired in their daily work.

As mentioned in § 2.1.1.2, Hermès' organisational model leaves a great deal of room for the autonomy of its various métiers, each of them with unique situations. The Group formalises an ambition and a strategic framework, and then encourages action plans that are mainly local and adapted to the specific context. Analysis of the occurrence of potential or actual negative impacts and the determination of the nature of the response to be provided (whether it is a Group or local response - in connection with human resources governance) ensures adapted and relevant responses, the definition of action plans and any new measurement tools. Action plans are drawn up in a participatory manner, then shared within the communities of expertise in order to enable their monitoring as well as the sharing of best practices. Their monitoring is carried out by local governance, with project managers, clear objectives, supporting procedures and tools, and the necessary resources allocated.

As specified in § 2.1.3.1.7, the results of these action plans are presented to members of the Supervisory Board and in particular to employee representative members. Employee representatives, via the Social and Economic Committee in France, are also involved in sustainable development issues and have the opportunity to propose improvement actions.

Hermès constantly ensures that its practices do not cause or exacerbate material negative impacts on its own workers in several ways, in particular as mentioned in this report through:

- ◆ mechanisms for listening to employees' concerns, detailed in § 2.1.3.1.4 and above, enabling regular discussion with employees in order to monitor the occurrence or the possibility of occurrence of negative impacts;

- ◆ existing policies in the process of being formalised, detailed in § 2.1.3.1.3, related to material issues, ensuring a consistent and structuring Group approach to prevent negative impacts;
- ◆ targeted action plans detailed at the beginning of this section, drawn up in collaboration with its workforce, in order to respond to actual negative impacts and prevent potential negative impacts;
- ◆ performance indicators to monitor the effectiveness of actions to mitigate and prevent impacts, as detailed in the following section.

#### **Effectiveness of actions undertaken**

The effectiveness of Hermès' policies and actions is measured using key performance indicators (KPIs) detailed in § 2.1.3.1.7, the monitoring of which enables action plans to be strengthened or changed.

The Group's actions and initiatives are also monitored via feedback from employees targeted by these actions; for example, surveys sent to employees following training sessions, and feedback shared during moments when employees' concerns are heard, as detailed in § 2.1.3.1.4.

Human resources (the availability of teams to carry out the actions detailed in this section), financial resources (to finance the actions undertaken) and tools (for example, the whistleblowing mechanism in the event of a report of harassment, training platforms, and others that may be necessary to achieve the actions detailed above) are allocated by Hermès so that the Company can meet its material challenges.

### 2.1.3.1.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S1-5)

The indicators and targets set to monitor the material impacts, risks and opportunities identified during the double materiality analysis are presented in the table below. Some of these objectives are qualitative, with the aim of securing the robustness of the processes.

Information relating to the monitoring of the effectiveness of the policies and actions on each of these subjects can be found in § 2.1.3.1.4 to 2.1.3.1.6.

Material topic	Metrics	Objective
Health, safety	<ul style="list-style-type: none"> <li>◆ Number of occupational injuries</li> <li>◆ Occupational injury frequency rate</li> <li>◆ Occupational injury severity rate</li> <li>◆ Number of days lost due to occupational injuries and fatalities</li> <li>◆ Number of fatalities due to occupational injuries and illnesses</li> </ul>	<ul style="list-style-type: none"> <li>◆ Reduce the occupational injury frequency and severity rates by 50% (a relative target of 14.9 [frequency rate] and 0.63 [severity rate] in 2016 to 7.45 [frequency rate] and 0.31 [severity rate] targeted in 2025) for all of the Group's own operations worldwide, part of the Group's broader ambition of a "zero accident" trajectory driven by the Health and safety policy.</li> </ul>
Human rights	<ul style="list-style-type: none"> <li>◆ Number of alerts via the H-Alert! system</li> </ul>	<ul style="list-style-type: none"> <li>◆ Regularly process the admissibility of alerts within a maximum of one month.</li> </ul>
Dialogue with Group employees	<ul style="list-style-type: none"> <li>◆ Number of collective agreements</li> </ul>	<ul style="list-style-type: none"> <li>◆ Draft a Group policy in 2025.</li> </ul>
Working conditions	<ul style="list-style-type: none"> <li>◆ Number of alerts via the H-Alert! system</li> <li>◆ Conduct a survey on working conditions</li> </ul>	<ul style="list-style-type: none"> <li>◆ Draft a Group policy in 2025.</li> <li>◆ Regularly measure employee opinions on their working conditions through a survey every two years.</li> </ul>
Diversity and inclusion	<ul style="list-style-type: none"> <li>◆ Gender pay gap</li> <li>◆ Equity ratio</li> <li>◆ Ratio of women on management bodies</li> <li>◆ Percentage of women in Top Management</li> </ul>	<ul style="list-style-type: none"> <li>◆ Draft a Group policy in 2025.</li> </ul>
Training and skills development	<ul style="list-style-type: none"> <li>◆ Average number of training hours per employee</li> <li>◆ Number of École Hermès des Savoir-Faire (EHSF) training centres</li> <li>◆ Number of learners supported via EHSF</li> <li>◆ Number of people who obtained their CAP in leather goods</li> </ul>	<ul style="list-style-type: none"> <li>◆ Draft a Group policy in 2025.</li> </ul>

Social objectives are set by the Group's HR department, taking into account current results, the results of the materiality analysis, the needs and lived experiences of employees, and a strong humanist ambition. These objectives are proposed by Management, and enriched through discussions with key internal stakeholders: Directors of Human Resources, through annual seminars for Directors of HR ("HR Leadership Team"), monthly meetings of the HR Council, a governance body composed of members of the Group HR department and operational Directors of HR representing the various Group entities, or during seminars bringing together the Managing Directors and their Directors of HR on social issues. The subject of health and safety is shared between the Group's various functions; the setting of these objectives is carried out in consultation with various key stakeholders (the industrial department, the sustainable development department and the HR department).

The Company's performance against the targets set is monitored by employees at several Group levels:

- ◆ sharing results against targets with the Group HR Council and key internal stakeholders on an annual basis;

- ◆ communication of the results and targets to all employees via the publication of the results of this report on the website <https://finance.hermes.com/en> as well as through its direct transmission to employees and employee representatives in their role as shareholders of the Group (the majority of employees);

- ◆ consultation of employee representatives via;

- the Supervisory Board of Hermès International: firstly, through the appointment of two employees as members of the Supervisory Board representing the employees and who, by virtue of their duties as members of the Supervisory Board, take part in all of the Board's discussions and in the deliberations on any subject dealt with by the Board (see chapter 3 "Corporate governance", § 3.4.2.7.1), and secondly, through the participation, without voting rights, of a representative of Hermès International's Social and Economic Committee at Supervisory Board meetings (see chapter 3 "Corporate governance", § 3.4.2.7.1),

- the Social and Economic Committee of Hermès International: during a presentation of the sustainability report and the associated results and, from the 2025 financial year, an information-consultation of the Social and Economic Committee of Hermès International on the sustainability report, and
- the Group Works Council, in France: where employee representatives are also involved in sustainable development issues and thus monitor the Group's results on this subject.

These communication and engagement efforts enable progress to be monitored against targets set by key internal employees.

On these occasions they also have the opportunity to propose improvements. The Group's HR community is responsible for proposing local action plans associated with the results and targets, in collaboration with employees.

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### 2.1.3.1.8 Characteristics of the undertaking's employees (S1-6)

As a reminder, the financial information relating to the Company's own workers is presented in Chapters 1 "Presentation of the Group and its results" § 1.5.3 and § 1.5.4 and 5 "Consolidated financial statements" § 5.6, Note 7.

#### INFORMATION ON EMPLOYEES BY TYPE OF CONTRACT, BROKEN DOWN BY GENDER (HEADCOUNT)

	Female		Male		Not disclosed		Total
	Number	Percentage	Number	Percentage	Number	Number	Percentage
Number of employees (headcount)	17,018	67.6%	8,167	32.4%	0	25,185	100%
Number of permanent employees (headcount)	15,010	66.6%	7,533	33.4%	0	22,543	89.5%
Number of temporary employees (headcount)	1,979	76.2%	618	23.8%	0	2,597	10.3%
Number of non-guaranteed hours employees (headcount)	29	64.4%	16	35.6%	0	45	0.2%
Number of full-time employees (headcount)	16,198	66.9%	8,005	33.1%	0	24,203	96.1%
Number of part-time employees (headcount)	820	83.5%	162	16.5%	0	982	3.9%

The total number of employees was calculated as follows: the number of employees, permanent and temporary, full-time or part-time, with a direct employment relationship with one of the Group's entities and

whose assignment is active as of 31 December 2024. Interns, temporary workers and other external service providers are not taken into account in the calculation of the own workers.

#### BREAKDOWN OF OWN WORKERS BY GENDER FOR COUNTRIES IN WHICH HERMÈS HAS 50 OR MORE EMPLOYEES REPRESENTING AT LEAST 10% OF ITS EMPLOYEES

	Men	Women	Not disclosed	Total employees
France (excluding Monaco)	4,808	10,711	0	15,519

#### BREAKDOWN OF OWN WORKERS BY REGION

	Number of employees	Breakdown
France	15,556	62%
Europe (excluding France)	2,800	11%
Japan	1,062	4%
Asia-Pacific	3,701	15%
Americas	1,729	7%
Middle East	337	1%
<b>TOTAL</b>	<b>25,185</b>	<b>100%</b>

#### EMPLOYEE TURNOVER RATE IN 2024 AND NUMBER OF EMPLOYEES CONCERNED

	2024
Number of employees who left the Company during the reference period	1,517
<b>Employee turnover rate during the reference period</b>	<b>6%</b>

NB: The employee turnover rate is calculated by comparing the total number of voluntary and involuntary departures of permanent employees to the headcount as of 31 December 2024.

#### 2.1.3.1.9 Characteristics of non-employees in the undertaking's own workforce (S1-7)

In accordance with the possibility offered by the CSRD, all of the datapoints concerning non-employees will be published at a later date, within a period of one year following the publication of this Sustainability report (phase-in).

#### 2.1.3.1.10 Collective bargaining coverage and social dialogue (S1-8)

##### PERCENTAGE OF EMPLOYEES COVERED BY COLLECTIVE BARGAINING AGREEMENTS

	2024
Percentage of its total employees covered by collective bargaining agreements	97%

This figure reflects the headcount employed in EEA member countries. In accordance with the possibility offered by the CSRD, the percentage of all employees covered by collective bargaining agreements will be published at a later date.

	2024
Overall percentage of its employees covered by such agreement(s) for each country in which it has at least 50 employees by headcount representing at least 10% of its total number of employees in the EEA	

<b>France</b>	<b>100%</b>
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	2024
Global percentage of employees covered by workers' representatives, reported at the country level for each EEA country in which the undertaking has significant employment	97%

<b>France</b>	<b>100%</b>
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#### 2.1.3.1.11 Diversity metrics (S1-9)

##### AT TOP MANAGEMENT LEVEL

Gender	Number of employees	Breakdown
Male	59	52%
Female	54	48%
Not disclosed	0	0
<b>TOTAL EMPLOYEES</b>	<b>113</b>	<b>100%</b>

NB: Top Management refers to employees occupying positions with the highest levels of responsibility, according to the classification used by the Group.

By age	Number of employees	Breakdown
Under 30 years old	5,382	21.4%
30-50 years old	15,200	60.4%
Over 50 years old	4,603	18.3%
<b>TOTAL EMPLOYEES</b>	<b>25,185</b>	<b>100%</b>

#### 2.1.3.1.12 Adequate wages (S1-10)

Hermès guarantees its employees a living wage in accordance with local regulations and applicable benchmarks, as confirmed in an analysis carried out in 2024.<sup>(1)</sup>

As a responsible employer and in line with the values intrinsic to its social model, the House aims to go beyond a living wage and provide competitive overall compensation and enable a quality of life and personal and professional development over the long term.

The overall compensation policy is composed of a wide range of individual and collective schemes, salary components and benefits that cover:

- ◆ the fundamental needs and achievements of employees, in particular health, safety, education, social inclusion, access to leisure and personal and professional development, through fixed salaries, individual and collective bonuses and various profit-sharing schemes, additional social protection schemes covering health costs and collective insurance;

1. This indicator includes all Hermès entities with the exception of entities acquired in 2024 (see financial consolidation).

- ◆ the need for recognition and belonging of employees in the medium and long term - for example through employee stock ownership plans granted to all employees worldwide;
- ◆ the need to look forward to the future with confidence, including at the end of working life - with post-employment benefits through retirement benefits, exceptional bonuses, and a collective free share allocation plan.

In addition to the dynamic changes in fixed salaries from which all employees benefited, additional and exceptional measures were also decided by the House in 2024, in a spirit of recognition of the commitment and contribution of each employee to the Group's performance and success. Thus, a bonus of 4,000€ was paid during the first half of 2024 for all eligible employees worldwide, in order to demonstrate the House's deep appreciation for the commitment of its employees. A similar bonus was already paid previously.

True to its family tradition and wishing to involve all its employees worldwide in the Group's sustainable and responsible growth over the medium and long term, Hermès has implemented six free share allocation plans for all of its employees, subject to length of service conditions, in more than 35 countries around the world. This is a unique scheme in terms of its scope and generosity, since 100% of employees meeting the length of service condition are eligible to receive rights to free shares.

All of these employee shareholding plans serve three purposes:

- ◆ to show the confidence of the House in the long-term commitment of its employees and unite them around the Hermès Group strategy;
- ◆ to acknowledge the contribution made by all employees, whatever their role, to the development of the House, by providing a single

compensation component to share the benefits of the growth, enabling employees to identify more closely with the long-term Hermès growth decisions;

- ◆ to consolidate the strong links between employees and the House. Hermès confirms its ambition to continue to involve all its employees in its corporate project in a single way by strengthening employee's shareholding.

As of 31 December 2024, 73% of employees held shares or rights in the process of vesting under plans already granted, i.e. more than 16,000 employee shareholders (see chapter 7 "Information on the Company and its share capital" for more information on this subject).

#### 2.1.3.1.13 Social protection (S1-11)

In accordance with the possibility offered by the CSRD, all datapoints relating to this DR will be published at a later date, within a period of one year following the publication of this Sustainability report (phase-in).

#### 2.1.3.1.14 Persons with disabilities (S1-12)

In accordance with the possibility offered by the CSRD, this datapoint will be published within a period of one year following the publication of this Sustainability report (phase-in).

As a reminder, in France during 2023, 7.12% of Hermès' employees had disabilities.

#### 2.1.3.1.15 Training and skills development metrics (S1-13)

In accordance with the possibility offered by the CSRD, these datapoints will be published at a later stage, within a period of one year following the publication of this sustainability report (phase-in).

For information on training and skills development, see § 2.1.3.1.3 and 2.1.3.1.6.

#### 2.1.3.1.16 Health and safety metrics (S1-14)

Employees	2024
Percentage of employees covered by its health management system	100%
Number of fatalities due to occupational injuries and illnesses	0
Number of recordable work-related injuries	303
Occupational injury frequency rate	7.89
Occupational injury severity rate	0.40

In accordance with the possibility offered by the CSRD, certain datapoints will be published at a later stage, within a period of one year following the publication of this sustainability report (phase-in).

#### 2.1.3.1.17 Work-life balance metrics (S1-15)

In accordance with the possibility offered by the CSRD, these datapoints will be published at a later stage, within a period of one year following the publication of this sustainability report (phase-in).

#### 2.1.3.1.18 Remuneration metrics (pay gap and total remuneration) (S1-16)

As mentioned in § 2.1.3.1.3, Hermès has always been vigilant regarding gender equality and more specifically on equal pay, i.e. the pay gap between women and men. In 2024, the pay gap was 2.10% in favour of men at the global level. Hermès continues its commitment on this topic and remains vigilant year after year.

The employees taken into account for the calculation of the compensation indicators are those present in the same country between 1 November 2023 and 31 October 2024, excluding those on work/study contracts. All countries interfaced in the Group's Human Resources Information System (HRIS) with more than 100 employees, as well as Japan, are included. These methodological choices, after analysis, do not have a significant impact on the 2024 indicator result presented above.

To calculate the equity ratio, a purchasing power index for each country, provided by a specialist firm is used. These indices enable Hermès to adjust employee compensation so that it can be compared to the compensation of the person with the highest compensation. Thus, the calculated Group median can be compared to the compensation of the person with the highest compensation.

	2024
Average pay gap between men and women	2.1%
The ratio of annual compensation between maximum annual compensation and total median annual compensation	92

#### 2.1.3.1.19 Incidents, complaints and severe human rights impacts (S1-17)

As indicated in § 2.1.3.1.3, the Hermès Group and all its employees are committed to complying with the laws and regulations applicable in all countries where they conduct activities. These principles have been explicitly included in the Group's ethics charter since 2009 and

in the code of business conduct since 2012. In accordance with laws and in order to boost efforts against breaches of ethics and integrity, in 2019 the Group set up a global whistleblowing system called H-Alert! The following data shows the number of alerts received through this system (including all alerts under the categories Harassment/Discrimination/Other HR issues, through channels made available to the Group's employees):

	2024
Number of alerts relating to the category Discrimination, Harassment and other HR topics <sup>(1)</sup>	111
Number of alerts filed through the various feedback channels	211
Total amount of fines, penalties and damages	Information unavailable

	2024
Number of serious human rights incidents	0
Total amount of fines, penalties and compensation resulting from the above cases	0

In 2024, 211 alerts were received through the H-Alert! whistleblowing system concerning human resources issues such as, among others, discrimination, moral harassment, sexual harassment and sexist behaviour.

All alerts are compiled in the H-Alert! system for better traceability, in particular direct reporting to local human resources teams.

Where appropriate, these alerts may be investigated to determine whether the case is proven or not.

All parties involved in the processing of alerts were mobilised and involved throughout the processing of the incidents.

1. These data do not in any way prejudge the materiality of the facts reported.

### 2.1.3.2 WORKERS IN THE VALUE CHAIN (ESRS S2)

Hermès' sustainable development is linked to the ability of its partners and suppliers to develop sustainably with regard to social, environmental and ethics issues, in particular human rights, fundamental freedoms and working conditions.

#### 2.1.3.2.1 Interests and views of stakeholders (ESRS S2 SBM-2)

Workers in the value chain include all employees, suppliers and partners with whom Hermès works in its activities, as well as workers not included in its own workforce (see § 2.1.3) but working for the Group's account. The integration of the views of workers in the value chain is essential to ensure responsible practices in supporting and monitoring suppliers, preventing any risk of breaches of human rights, health and safety and, more broadly, related to the working conditions of these workers.

In this context, attention to the points of view of workers in the value chain is achieved mainly through audits and visits to supplier sites, which include interviews with supplier employees and/or their representatives. These regular interactions are essential and likely to influence Hermès' business model, particularly with regard to its practices and relations with its suppliers. For example, in the event that non-compliance is noted during the audit, regular reviews are carried out with the supplier to ensure that the issues raised (dialogue with Group employees, wages, working conditions, management, etc.) are taken into account. Depending on the level of criticality and the supplier's response, the commercial relationship may be modified or even terminated in the event of serious

shortcomings. Furthermore, access to the H-Alert whistleblowing system, open to workers in the value chain (and all external stakeholders) can also enable alerts to be received relating to situations deemed to be of concern by employees who are exposed to them.

#### 2.1.3.2.2 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The process for performing the double materiality analysis and identifying impacts, risks and opportunities is set out in § 2.1.1.3 "Description of the processes to identify and assess material impacts, risks and opportunities" and § 2.1.1.4 "Group risk management framework".

As explained in § 2.1.1.5 "Strategy, business model and value chain" and § 2.1.1.6 "Material impacts, risks and opportunities and their interaction with strategy and business model", Hermès places interactions with its suppliers and partners at the heart of its responsible purchasing strategy. Thus, Hermès recognises that through their savoir-faire and their involvement in its value chain, its partners' employees play an important role in the quality of the products placed on the market and that the impacts, risks and opportunities associated with them are closely linked to the Group's strategy and business model.

The table below summarises the impacts, risks and opportunities relating to ESRS S2 as well as the policies and reference frameworks governing the partnership between Hermès and its suppliers. No exclusions were made as part of this ESRS.

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy
<strong>COMMUNITIES</strong>					
<strong>Partners and suppliers</strong>					
<strong>Supporting and auditing suppliers</strong>					
30	Impact on the human rights of workers in the value chain	Negative impact	Upstream value chain	All time horizons	Potential
31	Impact on the health and safety of workers in the value chain	Negative impact	Upstream value chain	All time horizons	Potential
					Responsible purchasing policy Supplier code of conduct Supply chain and CSR brief Ethics charter Vigilance plan

**Impact on the health and safety of workers of suppliers in the value chain:** Hermès may encounter health and safety issues in its upstream value chain due to limited control of the social practices undertaken by the suppliers with which it collaborates and from which it obtains supplies. The context of working conditions vary, with not all suppliers having the same obligations in terms of compliance with international standards of safety and quality of working environments.

**Impact on the human rights of workers of suppliers in the upstream value chain:** in the same way, Hermès may face issues relating to respect for human rights in its value chain. Suppliers may have insufficient levels of compliance with international standards in terms of respect for and promotion of fundamental human rights.

The Group's strategy and business model may be rethought or adapted due to these impacts, as specified in § 2.1.1.5.

### **Contextualisation of impacts identified**

The Hermès craftsmanship model, in which 55% of objects are made in Hermès' exclusive in-house workshops, and 74% in France, relies on a network of suppliers based mainly in Europe, where labour practices are stricter than in other environments. As a result, Hermès' exposure to supplier risk is reduced especially since 58% of the top 50 direct suppliers are in France and 40% in other European countries. Nevertheless, Hermès treats the subjects of working conditions in its European value chain very seriously, considering that many of its suppliers are small craftsmanship structures (VSEs-SMEs) that require support on these topics. Lastly, a very small proportion of purchases take place in more distant countries and control and monitoring are extremely comprehensive. The House's practice is to maintain a close relationship with its suppliers, historically for reasons related to quality and initial mode of operation, but which is also very useful in ensuring the quality of ethics and social practices. Thus, working conditions (hours, health and safety, compensation, dialogue with Group employees and employee representation, disciplinary practices), risks of discrimination, forced labour, child labour and, more broadly, living conditions (considering the local context) are monitored directly by buyers in the various métiers.

Industry (for the packaging sector, for example) and geographical discussions are held to help identify the issues more precisely. When a major issue is identified, it is discussed with the partner and an action plan is determined jointly and put in place with a view to a long-term relationship and support. In the event of a serious breach, the suspension or even termination of the business relationship may result.

Action plans relating to respect for Human Rights and fundamental freedoms are part of the vigilance plan put in place by the Group as part of its duty of care. This is repeated and detailed in section 2.4.1.2.

### **Description of the types of workers in the Hermès value chain**

#### **Workers at company sites**

Workers located on the Company's sites but who are not part of its own workers are mainly people who strengthen the IT teams as well as the teams responsible for site security. Given the proximity of these workers to the Group's direct operations, this category of worker generally benefits from the same protection measures put in place for the Group's own workers (see § 2.1.3.1) relating to health and safety issues and the protection of human rights. For example, health and safety initiatives also benefit these workers.

#### **Trade payables**

All suppliers include, for direct purchases, suppliers of materials (who may be Tier 1<sup>(1)</sup> or Tier 2<sup>(2)</sup>), suppliers of finished products (Tier 1) and their own value chains. Given the variety of materials used in the manufacturing of Hermès' finished products, these are mainly craftspeople, employees of industrial sites and, further up the chain, workers on sites at which metals and minerals are extracted or agricultural products harvested.

For indirect purchases, these include suppliers of finished products, excluding items used commercially by the Group, in particular packaging, and service providers for support functions.

#### **Other information related to the categorisation of workers in the value chain**

Downstream, the Group has not identified any categories of workers likely to be materially affected by its human rights or health and safety activities, with the exception of transport service providers who may be exposed to safety risks. These service providers are covered by all the policies and actions undertaken by the Group to prevent potential negative impacts on this category of workers.

Hermès does not have a joint venture.

At value chain level, particular attention is paid to workers who may be particularly vulnerable to potential negative impacts relating to human rights and health and safety as identified in the double materiality analysis. The categories of workers likely to be particularly exposed are young workers (under the age of 18), women, migrant workers, workers likely to be exposed to risks depending on the activity of the site (e.g. use of chemicals, use of machines), home workers, trade unions and employee representatives, and workers with disabilities.

As part of the audits carried out, special attention is paid to these types of workers.

#### **Geographical presence**

In terms of geographical presence, the following are updated annually:

- ◆ the list of sensitive countries defined by the legal department;
- ◆ the classification of country risks in the appendix of the supply chain brief and according to the type of supply chain (cotton, metals and stones, timber).

For the preparation of these lists, risks to human rights and social issues are taken into account (i.e. child labour, forced labour, freedom of association, living wage, discrimination, informal work and occupational health and safety). They are based on an external database of CSR indices monitored worldwide. Risk analyses and action plans are also adapted according to regulatory risks. By way of illustration, in Italy, a risk of non-compliance with working conditions has been identified (in particular, undeclared work and non-compliance with safety conditions). As a result, an awareness campaign was carried out for suppliers based in Italy and suppliers with subcontractors or suppliers in this country. Social audits have been conducted there for several years and, in some cases, unannounced or semi-announced audits take place.

Forced labour and child labour are priority topics in audits of agricultural supply chains in all non-OECD countries.

1. *who supplies the House directly*

2. *who supplies a Tier-1 supplier*

#### Negative impact related to sustainable transition

No material negative impact on the value chain related to the sustainable transition was identified. Hermès carries out supply chain diagnostics to identify systemic risks in its value chain. Furthermore, specific audits may be carried out on suppliers in connection with these supply chains studied. When the results of a supply chain audit highlight systemic negative impacts within the supply chain (and not Hermès), discussions are held with the players in the value chain in order to work on mitigating the impacts, strengthening knowledge of the value chain and identifying opportunities for improvement. In the event that it is difficult to improve the impacts for various reasons, suspension or even termination of the relationship is considered, with an action plan implemented to minimise the impact on workers as much as possible at the local level.

When Hermès plans to withdraw from certain specific commercial relationships, this can have negative impacts for employees. The remediation plans systematically proposed by the Group make it possible to better manage the potential impact on them.

#### Dialogue with workers in the value chain

As part of CSR audits, interviews are conducted with the personnel of suppliers in the upstream value chain, including the people considered to be the most exposed depending on the country or sector of activity and employee representatives, in order to understand how they may potentially be adversely affected in the course of their work.

##### 2.1.3.2.3 Policies related to value chain workers (S2-1)

The protection of workers' human rights as well as the health and safety of workers in the value chain are covered by the policies and instruments presented below.

At Group level, the direct and indirect purchasing departments coordinate and monitor policies, tools and outcomes. These departments report directly to two members of the Executive Committee.

**The Group's responsible purchasing policy** formalises social, environmental and ethics commitments, in particular relating to human rights, fundamental freedoms and working conditions (*i.e.* health, safety, working hours, wages). It is made public and available on the <https://finance.hermes.com/en/> website and has been signed by the Executive Vice-President of Governance and Organisational Development and the Executive Vice-President Manufacturing Division & Equity Investments. It formalises strategies promoting responsible purchasing based on the ISO 20400 international standard and the Responsible Supplier Relations and Procurement Label (LRFAR). It was established with the various in-house players responsible for supplier relationships, in particular the direct and indirect purchasing departments and the experience of a community of buyers.

All supplies are assessed in line with this policy. It is addressed to suppliers, manufacturers, service providers and any subcontractors. Upstream of commercial relationships and throughout them, purchasers assess suppliers to verify their compliance with the Group's social requirements. Based on this policy, the Group rolls out tools directly to its suppliers, in particular as part of the assessment and continuous improvement of the working conditions of workers in its value chain, and notably:

**The briefs, covering in particular supply chain and CSR,** present both the short-term objectives and longer-term trajectory for each raw material, as well as points requiring particular attention and those that are prohibitive. In particular, this brief includes certification targets for most of the materials according to the highest existing standards. These certifications cover topics related to human rights and safety of working environments and the health of workers.

**The Supplier code of conduct:** Hermès systematically seeks a formal commitment from its suppliers to comply with their social and regulatory obligations. This commitment is formalised by the signing of the Supplier code of conduct. This Code sets out clear and detailed commitments in terms of health and safety, working conditions and respect for working hours. It mentions forced labour, human trafficking and child labour. It also refers to international standards, and in particular ILO conventions. Suppliers undertake to declare their subcontractors in the appendix to this code and to implement vigilance and control measures to ensure that their subcontractors comply with all their obligations in terms of human rights and personal health and safety. In this context, the Hermès Group encourages suppliers to share this document with them. The Supplier code of conduct is published on the Group's institutional website.

The two instruments listed above were published in 2024 and were not updated during the financial year.

#### Compliance with international human rights reference frameworks

To monitor compliance with the OECD Guidelines for Multinational Enterprises, the ILO Declaration on Fundamental Principles and Rights at Work and the United Nations Guiding Principles on Business and Human Rights, Hermès is rolling out a robust supplier audit programme to assess risks in the value chain. In addition, interviews are conducted with workers in the value chain on these occasions.

By way of illustration, given the materiality of the negative impacts identified for the Perfume and Beauty métier, the mapping of environmental and social risks was carried out in 2024 on the raw materials used in perfumery. Since then, ambitious actions have been amplified or launched on the main raw materials used by the métier, such as vetiver and pink peppercorns. More information on the actions taken to mitigate the material impacts can be found in § 2.1.2.5.

Furthermore, Hermès' internal and external ethics approach is based on the universal framework established by major international principles. In this respect, the ethics charter, signed by the Executive Chairman, established in 2009 and updated in 2023, is communicated to all employees. It is available on the intranet and can be accessed by the public on the Group's institutional website<sup>(1)</sup>. As required by ESRS G1, it specifies that these principles apply to both Group companies and suppliers. In particular, explicit reference is made to the Universal Declaration of Human Rights, the charter of fundamental rights of the European Union, the charter of fundamental principles of the International Labour Organization, which covers freedom of association, the fight against forced labour, child labour and the fight against discrimination, and the OECD Guidelines. It is

also a member of the United Nations Global Compact, which invites companies to adopt, support and implement in their sphere of influence a set of 10 core values (relating to issues involving human rights, labour standards, environment, the fight against corruption), and the UN Guiding Principles that commit companies to respecting human rights and addressing the negative impacts of their activities.

This approach is regularly discussed with suppliers during operational discussions with purchasers.

Hermès is involved in promoting respect for human rights and fundamental freedoms and, as such, undertakes to comply with the principles, standards and international agreements listed in the table below:

Major international ethics principles	Internal framework	Examples of implementation
<b>The Universal Declaration of Human Rights</b>	<b>Ethics charter</b>  Aims to promote respect and ensure proper application of major international ethics principles.	<b>Ethics Committee</b>  The committee collects and processes alerts, as well as providing advice and recommendations on the Group's ethics culture.
<b>The Charter of fundamental rights of the European Union</b>	<b>Code of business conduct</b>  Aims to raise awareness of certain risks and give employees appropriate behavioural reflexes.	<b>H-Alert! system</b>  Employees are encouraged to report grave and serious incidents through several information channels.
<b>The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the ILO Fundamental Conventions</b>	<b>Anti-corruption code</b>  Aims to promote an ethics culture in which breaches of probity have no place.	<b>Supply chain and CSR briefs</b>  Suppliers integrate the Group's human rights expectations.
<b>The OECD Guidelines (2023) for Multinational Enterprises</b>	<b>Supplier Code of Conduct</b>  Aims to promote ethical, responsible and sustainable conduct for all suppliers.	<b>Métier/subsidiary EHS policies</b>  Policies include good working conditions for employees.
<b>The Global Compact under the aegis of the United Nations</b>		<b>UK modern slavery act</b> <b>California transparency supply chain act</b> <b>Australian Modern slavery act</b> <b>Swiss Duty of Care law</b> <b>Fighting Against Forced Labour and Child Labour in Supply Chains Act (Canada)</b>

No controversy related to non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises involving workers in the value chain has been reported in Hermès' upstream or downstream value chain.

Following audits identifying human rights impacts, an action plan is set up with the supplier. Buyers regularly monitor the progress of action plans.

1. <https://finance.hermes.com/en/>.

#### 2.1.3.2.4 Processes for engaging with value chain workers about impacts (S2-2)

The interaction processes with Hermès' different stakeholders are described in § 2.1.1.5.3. The table below summarises the main forms

of exchange and dialogue undertaken with workers in the value chain.

Affected communities	Inform	Dialogue	Collaborate
Suppliers & production partners	Communication of the Group's commitments to the Company's representatives (communication of the Supplier code of conduct)	Discussions with buyers as part of the CSR brief  Supplier assessment and audits Interviews with workers in the value chain as part of field audits  Discussions with stock market groups and sector initiatives	Quality support, product co-development  CSR training actions  Supply chain certification programme

As part of the audits carried out by independent third parties on behalf of Hermès, interviews with supplier employees are systematically conducted. Workers likely to be vulnerable to impacts, employee representatives, women and migrant workers are some of the people questioned on these occasions. The subjects addressed during these audits cover, but are not limited to, the material negative

impacts that affect or are likely to affect workers in the value chain, in order to take their views into account in business relationships between Hermès and the suppliers.

The processes mentioned above take place at each tier-1 supplier audit.

2024

Number of audits carried out on tier-1 suppliers	More than 100
Frequency of engagements with supplier staff	At each audit
Frequency of engagements with suppliers' employee representative bodies	At each audit

Responsibility for conducting the interactions mentioned above rests with the Managing Director of the Upstream division, who notably oversees the management of direct purchases related to the manufacture of objects.

Respect for the rights of workers in the value chain is covered by the reference framework presented in the previous section. The follow-up of audit action plans carried out by the lead purchaser ensures that the issues identified during the audits and interviews are taken into account.

To date, Hermès has not entered into any agreement with international trade union federations on respect for the human rights of workers in the value chain.

When workers in the value chain are likely to be particularly vulnerable to the identified material impacts, measures are taken to incorporate their views. Thus, the responsible purchasing policy specifies the expectations of suppliers involved in Hermès' solidarity purchasing approach, including the missions entrusted to companies employing people with disabilities, or people in priority neighbourhoods or rural revitalisation areas.

#### 2.1.3.2.5 Processes to remediate negative impacts and channels for value chain workers to raise concerns (S2-3)

##### Whistleblowing mechanism and monitoring system for major subjects

The close relationship between Hermès and its suppliers is one of the best guarantees for identifying any suspicious behaviour or concerns that workers in the value chain might have in terms of working conditions, including health and safety, equal opportunities and respect for human rights. On-site visits by purchasers and frequent assessments are important tools that make it possible to detect any breaches and to alert the Group.

Each of the métiers is responsible for monitoring the issues identified and for the proper implementation of corrective, preventive and remedial actions, where applicable according to the type of findings identified, with suppliers. Similarly, the legal framework of relations with suppliers and subcontractors is regularly updated in light of actual experience. The conclusions of the audits, which bring together buyers and the Group direct and indirect purchasing departments, enable rich discussions anchored in the real circumstances of suppliers and subcontractors.

As mentioned, in accordance with the Supplier code of conduct, any worker in the value chain who identifies suspicious behaviour in the supply chain is invited to report it through the H-Alert! mechanism, accessible to suppliers and subcontractors.

The global H-Alert! whistleblowing system was supplemented in 2022 to:

- ◆ strengthen the protection of whistleblowers against any form of retaliation. To this end, a new information notice on the whistleblowing system has been published;
- ◆ provide Hermès suppliers, dealers, distributors, intermediaries and co-contractors in general with access to the unique H-Alert! whistleblowing system.

This mechanism is accessible to all external stakeholders of the Group on the Group's institutional website. Available in 21 languages to ensure its proper distribution, the information notice was the subject of a communication within the Group and its suppliers.

In 2024, 211 alerts were received through the whistleblowing system, including alerts received from people other than Hermès employees, who may include workers in the value chain. These alerts are analysed by the legal compliance department and the Group purchasing department. In the event of a negative impact on workers in the value chain, the departments concerned take the necessary actions (e.g. supplier investigation, implementation of corrective action, etc.) in order to provide an effective solution to this alert. § 2.1.4. describes in more detail the implementation of this alert system.

100% of the alerts received in the financial year resulted in follow-up. Hermès carried out the internal investigations necessary to process said alerts. The use of the whistleblowing line by internal and external workers attests to the knowledge of the system and the trust placed by its target users.

#### **2.1.3.2.6 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions (S2-4)**

##### **Sustainable development risk mapping process in the supply chain**

In order to better understand where social and environmental risks lie in the Group's supply chain, a methodology for managing supplier risks has been formalised and rolled out within the House's various métiers by the purchasing departments. This approach includes risks in terms of human rights and working conditions, as well as equal treatment and equal opportunities for all workers in the value chain.

The diagram below summarises this methodology and the corresponding tools:



The métier purchasers must sort their suppliers by purchase category, then, for each of these categories, map the global risks and then analyse the risks by supplier. Purchasers have several tools at their disposal to inform and refine their supplier risk analysis, in particular:

- ◆ a “supplier information questionnaire” including an exhaustive list of points to be explored in depth. This questionnaire is recommended for new suppliers and those identified as “at risk” (in particular on issues related to corruption, negative press, violation of human rights, risk to the health or safety of people, environmental risk, etc.), as well as for strategic or sensitive suppliers (business volume, specific savoir-faire, *intuitu personae*, succession, financial health, etc.);
- ◆ a “CSR self-assessment questionnaire” to be completed independently by the supplier.

Referencing or monitoring site visits are carried out by buyers.

Once the risk analysis has been completed and if a material risk is confirmed, the buyer can request EHS (Environment, Health and Safety) and CSR audits from a third-party organisation.

In addition, a Group-level risk mapping has been produced (see chapter 4 “Risk factors and management”, § 4.1), into which the mappings produced by each of the main métiers, retail subsidiaries and support activities are fed. Each of them takes into account the risks related to suppliers and subcontractors, and in particular the risks with regard to human rights and fundamental freedoms, as well as the health and safety of people.

Since 2018, the emphasis has been on direct production purchases, for which control of the supply chain is a strategic challenge. With its 16 métiers, the Group has around 100 direct purchasing categories. These risk analyses by purchasing category are supplemented by supply chain analyses by raw material. The audits carried out make it possible to identify issues relating to human rights and fundamental freedoms, as well as the health and safety of people, and then implement appropriate action plans. Particular attention is paid to countries identified at risk.

### Regular assessment procedures

For each purchasing category that has previously been the subject of a risk mapping, the métier purchasers carry out a risk analysis covering the risks in terms of human rights and fundamental freedoms, health and safety of people and, more generally, working conditions, as well as environmental risks.

If a risk is suspected, the purchaser conducts a more detailed analysis to confirm or rule out this risk, supported by a “supplier information questionnaire” setting out the various topics included in the previously completed supplier risk analysis framework.

This “supplier information questionnaire” is more generally used by the direct purchasers as the basis of visits to a Tier 1 or higher supplier with the aim of constantly improving their knowledge of the supply chains. Purchasers also use this questionnaire when conducting pre-accreditation visits before starting to work with a new supplier. These pre-accreditation visits are compulsory within the scope of direct purchasing.

### CSR SELF-ASSESSMENT

In addition, the supply chain briefs, created in 2020, and the CSR briefs developed in January 2021 and then modified in accordance with updates from the risk analyses or when new materials are added, specify the House's objectives and its expectations vis-à-vis suppliers on these topics. To strengthen supplier engagement, a “CSR self-assessment questionnaire” has been developed, comprising of 69 questions relating to CSR. It enables purchasers to retrieve all the necessary CSR information from their suppliers (*i.e.* social policy, commitments to the environment and biodiversity, ethics charter). Tailor-made by the Hermès' teams, it is both comprehensive and corresponds to their typology and needs. The resulting progress plan will be easier to manage, having been jointly constructed. For example, this approach has made it possible to better understand the Group's manufacturers' social and energy issues.

### AUDITS

#### **Direct purchases**

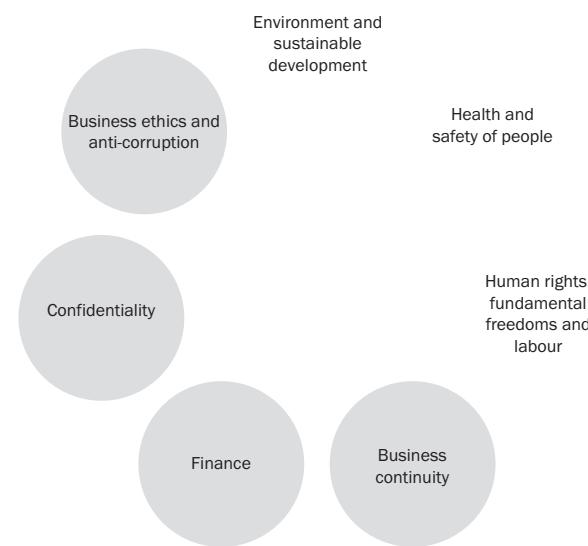
A procedure for conducting and monitoring external audits of Hermès' suppliers, updated in August 2022, governs the overall process of the supplier audit programme. Formalised on a voluntary basis in 2011, the process was strengthened with the implementation of the laws on the duty of care and Sapin II. The supplier audit programme is managed by the direct purchasing coordination department (DCAD) in partnership with all of the House's métiers.

In essence, if the supplier information questionnaire confirms a significant level of risk, the purchaser alerts the direct purchasing department and their line manager, a member of the métier's Management Committee, and an action plan is drawn up to prevent or mitigate the risks. If the risk is related to the environment, the health and safety of people, social issues or, more generally, human rights and fundamental freedoms, an external body recognised for its expertise in these areas, is asked to conduct an audit. The results of these audits and the quality of action plans are taken into account during any continuation of relationships.

Audits are also requested for strategic or sensitive suppliers (due in particular to business volume, specific savoir-faire, *intuitu personae*, located in a country far from France, for example).

These on-site audits last an average of two days each and are carried out in the presence of a Hermès representative. They make it possible to verify *in situ* the reality of suppliers' social, environmental and ethics commitments, the proper implementation of regulations that concern them, and the reality of the working conditions and well-being of employees. This audit approach favours the quality of the work over the number of suppliers reviewed.

In conjunction with the “supplier information questionnaire”, these audits cover the following seven themes:



Of these seven topics, the three priorities, which also meet the obligations under the duty of care law are those identified in orange in the diagram above. If the audited supplier uses subcontractors, most of its subcontractors will also be audited by the third-party firm. These Tier 2 audits last an average of half a day and focus on health and safety, environment, labour, human rights and fundamental freedoms.

### AUDITS PERFORMED ON DIRECT TIER-1 AND 2 SUPPLIERS

Direct purchases		2024
Number of suppliers audited	More than 200 suppliers	
Types of suppliers	More than 100 Tier 1 suppliers More than 100 Tier 2 suppliers	

Hermès places the health and safety of people at the heart of its concerns; accordingly, more than half of the audit findings relate to this theme in 2024. The suppliers in question all took immediate steps to implement the necessary actions to correct the situation and comply once more.

Since the beginning of the EHS and CSR audit programme, which began in 2011, Hermès has committed its suppliers to carrying out corrective and preventive actions, responding to the findings identified during the audit of external service providers. For example, many suppliers have since carried out a risk assessment on exposure to chemical products, including measurement of exposure and the implementation of appropriate collective and individual protective equipment. Furthermore, some suppliers have had to update their assessment of occupational risks and secure non-compliant machines that presented risks for operators.

The audits are a fundamental part of the risk assessment system for suppliers and subcontractors. They also contribute to the quality of the relationship, a key factor in the success of sustainable support towards better practices. This is why the métier purchasers are involved in the auditing of their suppliers, supporting the process

upstream, participating in audits alongside the external firm and in monitoring the progress made in the action plans in a more formal manner.

#### ***Indirect purchases***

Audits of indirect suppliers last one to two days. As with direct purchases, a risk-based approach is used. Since 2014, Hermès Sellier's strategic packaging suppliers have all been audited. Each year, this list is extended to strategic suppliers from other departments (such as logistics, temporary work agencies, transportation) or to suppliers whose purchasers have identified a risk. Health and safety issues, as well as the human rights of workers, are obviously included in these audits.

In line with its responsible purchasing strategy, in late 2018, the Indirect Purchasing division selected EcoVadis, which offers a collaborative platform for assessing the environmental performance and social responsibility (CSR) of its suppliers on four themes: environmental, social and human rights, ethics, and responsible purchasing. The results of supplier assessment with the platform are reflected in action plans proportionate to the risk exposure, depending on the score obtained.

<b>Number of indirect suppliers assessed in 2024</b>	<b>Average score</b>		<b>Average Hermès supplier score//EcoVadis</b>			
	<b>Hermès Suppliers //</b>	<b>Average EcoVadis score</b>	<b>Environment</b>	<b>Social and human rights</b>	<b>Business ethics</b>	<b>Responsible purchasing</b>
791	62.4 // 47.6	64.7 // 48	64.6 // 50.4	57.7 // 44.9	56.9 // 39	

#### **Risk management**

##### **SUPPORT AND CONTROL**

Committed to providing long-term support for all its partners and maintaining balanced relationships, Hermès ensures, in addition to quality issues, that everyone shares and respects its social, environmental and ethics ambitions. In particular, the Group monitors issues related to human rights, fundamental freedoms, and working conditions (*i.e.* hygiene, health, safety, working hours, wages). This monitoring applies to its Tier-1 suppliers, but also to their own suppliers (Tier-2) and subcontractors, with the aim of always better understanding all the supply chains and aligning their CSR objectives with those of Hermès.

##### **RISK MANAGEMENT AND MITIGATION OR PREVENTION OF SERIOUS HARM**

The Group's policy is also based on a desire to train purchasers in an increasingly complex métier and formalise concrete commitments by suppliers.

##### **Network management and training**

The purchasing divisions are responsible for coordinating the network of buyers and organising joint training actions.

The Direct Purchasing Coordination Committee, led by its Group department, regularly brings together buyers from the métiers to review the Group's policy and procedures, regulations, legal rules and tools for monitoring suppliers and subcontractors. These meetings are also an opportunity to share the purchasing risk mapping of the various métiers. This helps purchasers to exercise their duty of care vis-à-vis their suppliers and subcontractors, and more generally vis-à-vis all supply chains. In addition, networks specific to certain supply chains, common to several métiers, have existed since 2022 and meet on average three times a year to monitor supply chain action plans. These are the leather, textile, metal and stone purchasing networks. Other networks have been created to address other supply chain categories such as wood and plant-based materials, raw materials in the Perfume and Cosmetics métier, and ceramics, enamel, glass and crystal. These meetings provide the opportunity to discuss the risks identified within the chains and steer the action plans to prevent or mitigate these risks.

The indirect purchasing department also brings together its buyers, in particular with an annual day of sharing and raising awareness on major issues. In 2024, the focus was on solidarity purchasing with external and internal training and sharing of experience.

Since the end of 2018, a training course for purchasers has been rolled out, with the aim of strengthening and structuring the training already existing within the Group. These dedicated sessions are either more general, with detailed CSR components, or more technical on EHS (environment, health and safety), legal compliance and human rights topics. This course includes:

- ◆ a “Hermès Purchasing Excellence” training course, finalised in early 2021 and which is continuing its rollout. It lasts three days, including a full day dedicated to CSR, responsible purchasing and supply chain management;
- ◆ EHS training has also been rolled out since 2020. It addresses buyers, as a priority, but also everyone who is required to travel to the House’s suppliers and subcontractors;
- ◆ a 3.5-hour “GOTS certification” training course was made available to the métiers so that they could understand its inclusion in Hermès’ CSR policy and its consequences for partners. This will make it easier to support them and develop their skills in the subject;
- ◆ all purchasers follow a half-day “Social issues and human rights” training course. This module aims to train them in the challenges of the duty of care and in particular respect for human rights within the Hermès value chain;
- ◆ in 2024, the direct purchasing coordination department also offered a webinar to raise awareness of the supply chain and the onboarding of new suppliers to all materials and product development teams.

#### **Supplier commitments**

From a legal standpoint, Hermès systematically seeks a formal

commitment from its suppliers to comply with their social, regulatory and environmental obligations through the publication of the new Supplier code, which replaced the previous system in 2024. Handbooks 1 and 2 are now combined in a single document called the “Supplier code of conduct” <sup>(1)</sup>.

#### **2.1.3.2.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S2-5)**

Hermès has objectives for the certification of its supply chains in order to remedy the negative impacts identified as material during the double materiality analysis. Some of them cover aspects relating to employees of the upstream value chain in terms of health, safety and human rights. For more details on the targets set in terms of supply chain certification, see § 2.1.2.5.6.

In the medium term, Hermès will adopt the appropriate measures for priority raw materials to:

- ◆ maintain the audit effort of its direct suppliers;
- ◆ pursue its duty of care and ensure respect for the human rights of stakeholders in its supply chains;
- ◆ restore and remedy proven harm (environmental and social, including human rights) directly related to these raw materials and caused directly by its activities.

These objectives were determined with the help of the departments involved in these internal issues (direct and indirect purchasing department, audit and risk management department, legal department and sustainable development department).

#### **DIRECT PURCHASING SUPPLIER OBJECTIVES**

<b>Direct purchases</b>	<b>2024</b>	<b>2025 objectives</b>
Audits carried out	More than 200 Tier-1 and Tier-2 suppliers audited	Maintain the audit effort of its direct suppliers

#### **INDIRECT PURCHASING SUPPLIER OBJECTIVES**

	<b>2024</b>	<b>2025 objective</b>
Number of national and international suppliers invited to use the EcoVadis platform since 2018	1,115 (of which 791 assessed)	Achieve a CSR assessment coverage rate of 80% of indirect purchasing expenditure (via the EcoVadis or another tool)

1. <https://finance.hermes.com/en/publications/>

### 2.1.3.3 AFFECTED COMMUNITIES (ESRS S3)

Hermès' sustainable development is rooted in harmonious long-term relationships with its stakeholders. Hermès acts as a socially responsible company wherever it operates, contributing to the economic, social and cultural vitality of the regions. Through its activity, the House engages with the following three categories of local communities:

Local communities	Definitions
Local residents and residents of the regions where the Company operates	People or communities living or working near the Group's sites. This covers local populations, local administrations, regional training schools and local associations.
Communities along the upstream value chain	All communities located upstream or downstream of the undertaking's value chain. This includes suppliers and subcontractors (and the populations in contact with them).
Indigenous peoples (own operations and along the value chain)	Indigenous peoples are distinct social and cultural groups that share collective ancestral ties to the natural resources and lands where they live, which they occupy or from which they have been relocated.

#### 2.1.3.3.1 Interests and views of stakeholders (ESRS 2 SBM-2)

The Hermès Group has prepared a risk analysis related to the duty of care. In this context, the impact on communities has been taken into account in the defined risk universe (see Group vigilance plan). The definitions used to identify the affected communities are identical in the context of the vigilance plan and that of the sustainability report.

Thus, the Hermès Group is developing its strategy and procurement taking into account the potential risks identified. Its procedures for assessing third parties and the supply chain reflect this (see § 2.1.3.3.2).

The interests of the communities are taken into account in the Group's strategy by adopting the commitments of the OECD guidelines and are included in its ethics charter.

##### Local residents and residents of the regions where the Company operates

Hermès listens to and incorporates the concerns of local communities in its sustainable development strategy, particularly in France, where most of its production activities are concentrated. The House continued its efforts to maintain a strong local presence, with production sites firmly anchored in the regions, thus creating sustainable jobs and contributing to the dynamism of local economies.

In addition to its manufacturing sites, Hermès is developing leather goods métier training sites (EHSF detailed in § 2.1.3.1.3), which also contribute to local economic development.

Regular dialogue is established with representatives of neighbouring communities, whether it is at the time a new site is being set up, in accordance with local law or during its day-to-day operations. Thus, in order to contribute to the development of the host regions, site construction projects are prepared in cooperation with local authorities. Special attention is paid to the potential of the local employment area, particularly in terms of transport infrastructure, accommodation and school facilities for Hermès employees and their families. As a result, the quality of the partnership with local

authorities is decisive, driven by the desire to prioritise a real local life for the families who settle there. With this in mind, the Group works to develop relationships rooted in trust and transparency and the implementation of joint actions.

##### Communities in the value chain

As mentioned, the Hermès craftsmanship model, where 55% objects are made in in-house and exclusive workshops and 74% made in France, relies on a network of suppliers located mainly in Europe, where social and ethical practices are regulated. In addition, Hermès itself sometimes being the operator of subcontracted activities (*i.e.* for shoes) and, more generally, being extremely close to its partners, with an average length of business relationships with its main direct purchasing suppliers of 19 years, the Group is able to anticipate and take into account any problems on the subject.

As a result, the risk of Hermès' exposure to a supplier risk is lessened given that 97% of the top 50 direct purchasing suppliers are in Europe (including 55% in France). Some direct purchases take place in more distant countries, mainly for certain raw materials (such as exotic leathers), but the implementation of audits and monitoring are strengthened there, particularly in terms of respect for human rights (see § 2.1.3.2.6 for more information).

As described in § 2.4.1.2 and summarised in Table 2.4.1.2, Hermès' commitment is firmly in line with international principles and is designed to ensure that its suppliers comply with these principles in accordance with its ethics charter, which is aligned with the OECD guidelines and those of the UN Global Compact, which include specific elements for communities.

Consequently, the approach put in place as part of the dialogue with communities involved in the value chain is regularly shared with suppliers during operational discussions with purchasers, and formalised by the signing of the code of conduct made public and available online. These commitments are also available in the vigilance plan available on the Group's finance website<sup>(1)</sup>.

1. <https://finance.hermes.com/en/>.

### Indigenous peoples

Similarly, Hermès takes into account the interests and points of view of the indigenous peoples in the framework of its activities. In this respect, the main peoples concerned relate to the Group's purchases outside Europe and the Group's raw materials, such as precious leathers, cashmere and silk.

Thus, the House provides support for the economic development of indigenous communities directly or thanks to its suppliers, by contributing to local projects that promote the creation of economic opportunities and the equitable distribution of the benefits generated by its activities.

Hermès also sets up training programmes specifically for members of indigenous communities. These training courses aim to develop skills specific to its value chains, offering opportunities for high value-added jobs, thus strengthening the inclusion of indigenous communities.

In addition, the Company forges partnerships to promote environmental sustainability while ensuring the integration of the knowledge of indigenous peoples in projects to preserve natural resources, in particular for the monitoring and protection of habitats but also their traditional environments and ways of life.

#### 2.1.3.3.2 Material impacts, risks and opportunities and their interaction with strategy and business model (ESRS 2 SBM-3)

The process for performing the double materiality analysis and identifying impacts, risks and opportunities is set out in § 2.1.1.3

"Description of the processes to identify and assess material impacts, risks and opportunities" and § 2.1.1.4 "Group risk management framework".

As detailed in § 2.1.1.5 "Strategy, business model and value chain" and § 2.1.1.6 "Impacts, risks and opportunities and their interaction with strategy and business model", Hermès' sustainable development roadmap and business model include considerations related to the affected communities.

As part of the double materiality analysis required by ESRS S3, an exclusion was identified due to its lack of materiality for Hermès' business model and activities:

### Communities' civil and political rights

The sub-targets of this standard concern aspects such as freedom of expression, freedom of assembly, and impacts on human rights. Hermès' activity and business model do not directly call into question the civil and political rights of the communities within the meaning of the CSRD. A potential impact may occur along the Hermès value chain, particularly in the context of the supply of raw materials. It was decided not to include this due to the absence of reports by the communities on these topics for many years. As a reminder, communication channels are open to them, in particular the H-Alert! whistleblowing line (see § 2.4.1.2.) allowing them to report alerts.

It should also be noted that Hermès' activities have no impact on the fundamental rights of the communities affected by its activity (local residents, communities along the value chain and indigenous populations).

2

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy
<b>Stakeholders and transparency</b>					
<b>Regional responsibility</b>					
34	Impact of the Group's activities on local communities	Negative impact	Communities located along the value chain of the undertaking, for example those affected by the supply of raw materials	Short term	Actual/ Potential for indigenous populations
35	Contribution to the Group's activities in regions and local communities	Positive impact	Local residents and residents of the regions where the Company operates Indigenous peoples	Short term	Actual (under construction)

**Impact of the Group's activities on local communities:** the Group's direct operations and facilities may potentially cause nuisances (land use, conflicts of use of common assets, use of environmental resources, etc.), affecting the quality of life of communities living nearby;

**Contribution of the Group's activities to regions and local communities:** the Group can stimulate the local economy and rural revitalisation by creating jobs, promoting access to training and supporting local businesses.

For the indigenous communities located along Hermès' upstream value chain, particularly those affected by the supply of raw materials, this includes projects to create jobs, train and maintain their ecosystems. These actions are carried out in conjunction with the populations, their representatives and suppliers.

The House engages in dialogue with its affected communities to ensure that their concerns are taken into account and addressed appropriately, and may adapt the initiatives and actions developed in the field.

### **Impacts observed in 2024**

As a result of its activity, Hermès may potentially have negative impacts on the local communities, as presented in the table above. These impacts may relate to water and sanitation, land or security. Some impacts are detailed in § 2.1.1.6.3. Following analysis, it appears that the material negative impacts identified above were not observed in 2024.

#### **2.1.3.3.3 Policies related to affected communities (S3-1)**

As detailed in § 2.1.3.3.1., the Group is committed to a general human rights policy applicable across its entire value chain. More specifically, the Group's human rights commitments to communities are affirmed in its ethics charter and presented in its official documents, at the top of which is the vigilance plan. The ethics charter specifies that these principles apply to both Group companies and suppliers. In particular, explicit reference is made to the Universal Declaration of Human Rights, the charter of fundamental rights of the European Union, the charter of fundamental principles of the International Labour Organization, which covers freedom of association, the fight against forced labour, child labour and the fight against discrimination, and the OECD Guidelines. The ethics charter and its offshoots (vigilance plan and Supplier code of conduct) are available on the Hermès Finance website. The Hermès Executive Committee oversees all ethical issues, particularly those relating to human rights. It is supported by an Ethics Committee set up in 2018 and chaired by the Executive Vice-President of Governance and Organisational Development, a member of the Executive Committee, and composed of the Director of Human Resources, who is also a member of the Executive Committee, the Group Director of Social Development, Group General Counsel and the Chief Compliance Officer.

To further anchor its commitments in the operational reality of its métiers, in 2024, an internal charter was put in place for the entire scope of Hermès Maroquinerie-Sellerie (HMS). It details the possible methods of engaging with its major local communities in France.

#### **Remediation actions**

During the financial year, the Group did not identify any situation in which these communities were negatively affected in direct connection with its activities, as specified above. As a result, no measures to remedy any negative impact were carried out in 2024.

#### **Vigilance plan & whistleblowing mechanism**

The vigilance plan, available on the Group's finance website <sup>(1)</sup>, describes the specific policy measures aimed at preventing and addressing impacts on the affected communities.

#### **International reference frameworks**

Hermès is committed to respecting and promoting human rights in all its operations, with a particular focus on communities affected by its activities. Hermès' policies are aligned with the UN Guiding Principles,

the ILO declaration and the OECD Guidelines (as specified notably in § 2.1.3.2.3), while ensuring respect for the rights of indigenous populations.

Hermès actively engages with affected communities to understand their needs and concerns, incorporating their views into its decisions (see following section § 2.1.3.3.4).

In addition, Hermès has set up whistleblowing mechanisms (H-Alert!) in the event of human rights violations, while guaranteeing a response to any negative impact (see § 2.1.3.3.5).

No alerts were made in 2024 due to non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines, whether in the context of Hermès' own activities or in its upstream and downstream value chain.

#### **2.1.3.3.4 Processes for engaging with affected communities about impacts (S3-2)**

##### ***With its local communities***

The contribution to a region reflects a company's ability to maintain a positive socio-economic climate while anticipating unforeseen incidents and events. It is also based on creating a lasting positive impact through strong, long-term relationships with local players. These relationships make it possible to understand the specific issues of the communities where Hermès activities are located (in particular the leather goods workshops) and to coordinate appropriate responses.

By collaborating with local players and reducing risks within or from communities, Hermès actively contributes to the economic development of the regions where it operates.

In France, this approach is evident at each stage of development projects, and in particular during the construction of new sites, from preliminary design to final delivery.

**Preliminary phase:** during preliminary discussions, the Group interacts with legitimate representatives of potentially affected local communities, such as economic development organisations (in France, chambers of commerce and industry or urban areas) on a confidential basis. This step makes it possible to assess opportunities while respecting the discretion required for these projects;

**Study phase:** at this stage, the Group organises monthly discussions with local communities and their credible representatives. These interactions include discussions with prefects, mayors, the Dreal (Regional Directorate for Environment, Development and Housing), Sdis (Departmental Fire and Rescue Services) in the case of ICPE sites (facilities classified for the protection of the environment), the Drac (Regional Directorate of Cultural Affairs to which the architects of the Bâtiments de France report) and other stakeholders, with the aim of identifying and eliminating the regulatory risks related to the project.

1. <https://finance.hermes.com/en/publications/>

Hermès includes any project in its policy of dialogue with the communities. Thus, and more particularly for new site projects concerning facilities classified for the protection of the environment (ICPE), an environmental authorisation including an impact study is required. This covers:

- ◆ the natural environment (air quality, wetland protection if applicable);
- ◆ the physical environment (geology, flood risks, surrounding cultural or archeological heritage);
- ◆ the human environment (agriculture, travel, urban planning).

In accordance with regulations, Hermès also takes care to arrange consultations with local communities for its new sites. This approach, implemented in the early planning phases, ensures that the unique needs and aspirations of communities are taken into account. By engaging in these constructive dialogues, Hermès ensures that each project is in harmony with its local context and contributes to the development of the regions concerned.

The opinion of stakeholders is taken into account both in the context of new operations (as illustrated above) and also more generally. Hence, in December 2024, the Group brought together for a day around 30 elected representatives from its manufacturing regions in France in order to understand their expectations and discuss potential joint projects for the benefit of local communities, particularly in the area of sustainable development.

#### **With communities along the value chain including indigenous peoples**

The following two examples are particularly illustrative of the Group's interaction with affected communities, including indigenous communities.

For a number of years, Hermès Textile Holding (HTH) has been diversifying its cashmere supplies, through the creation of a sustainable and high-quality supply chain in Mongolia, traceable to partner cooperative farmers in collaboration with AVSF (Agronomes et Vétérinaires Sans Frontières).

HTH interacts directly with local communities, which enables it to identify their needs and adapt the collaboration accordingly.

In 2023, a new phase of the HTH/AVSF project began with the aim of empowering the farmers of the project's partner cooperatives and developing internationally recognised Mongolian certification.

In 2024, HTH signed a partnership agreement with these cooperatives. For Mongolia, this is the first contract established by Hermès between an industrial sector and farmers.

This work was supplemented by a study conducted with WWF Mongolia on the levers for the sustainability of nomadic livestock farming, particularly in the face of the risks of overgrazing.

In Australia, prior to any project or interaction, Hermès engages in consultations with the aboriginal communities. These discussions include meetings with community leaders and representatives of local organisations such as ASRAC (Arafura Swamp Rangers Aboriginal Corporation) to ensure the free and informed consent of these

populations. Communities are actively involved in the planning and implementation of projects, which ensures that their needs and concerns are taken into account. As a reminder, Hermès' activity may generate negative environmental impacts on regions but does not affect the fundamental rights of these communities.

#### **2.1.3.3.5 Processes to remediate negative impacts and channels for affected communities to raise concerns (S3-3)**

All Hermès entities, in particular assets in operation, regularly engage in consultations with their local communities, as detailed below and in § 2.1.4 on the subject of impacts with local communities. For more remote communities, this approach is led by the métiers and, where applicable, their management team to be as close as possible to the local operational reality, with the support of the Group's direct purchasing teams.

##### **Whistleblowing procedure**

As soon as a report is made, in accordance with the procedure described in § 2.1.4.2., it is subject to a qualification study, follow-up, and the implementation of a remediation plan. Its effectiveness is measured in conjunction with the affected stakeholders in question through dialogue with them.

In accordance with applicable legal obligations in France and in order to boost the fight against breaches of ethics and integrity, in 2019 the Group set up a global whistleblowing system called H-Alert!. (For more information, see § 2.1.4.2.).

Available to all internal and external stakeholders, 7 days a week, 24 hours a day and operated by an external service provider, the H-Alert! whistleblowing platform makes it possible to report facts that may constitute a violation of any law or regulation, or a violation of the Group's codes, procedures and ethics standards, as well as to report the existence of risks or violations of human rights and fundamental freedoms, the health and safety of people or the environment, resulting from the activities of the Group and/or its subcontractors or suppliers. To strengthen knowledge of and confidence in this system, H-Alert! is available in some 20 languages.

The global H-Alert! whistleblowing system was updated in 2022 and 2023 in accordance with French law no. 2022-401 of 21 March 2022 and the decree of 3 October 2022 in order to:

- ◆ strengthen the protection of whistleblowers against any form of retaliation;
- ◆ give suppliers, service providers and distributors, and in general, the Hermès Group's co-contractors, access to the H-Alert! whistleblowing system.

As mentioned in § 2.1.4, all means are made available so that affected communities have access to information relating to the existence of the H-Alert! system which, in accordance with French law, is accompanied by increased protection for whistleblowers against possible reprisals. This strengthening will increase the confidence of the communities in the use of this system.

**2.1.3.3.6 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions (S3-4)**

Local communities	Examples of actions
Local residents and residents of the regions where the Company operates	<ul style="list-style-type: none"> <li>◆ Local projects relating to employment, mobility or biodiversity</li> <li>◆ Site visits</li> <li>◆ Discussions and consultations on Hermès projects and implementation of joint actions with local players</li> <li>◆ Creation of professional training courses in craftsmanship métiers (e.g. École Hermès des Savoir-Faire)</li> </ul>
Communities along the upstream value chain	<ul style="list-style-type: none"> <li>◆ Supplier assessment and audits</li> <li>◆ Co-contracting agreements with sheltered work establishments &amp; adapted companies (EA/ESAT)</li> <li>◆ Quality &amp; Environmental Support (Supplier carbon footprint)</li> </ul>
Indigenous peoples	<ul style="list-style-type: none"> <li>◆ Projects with local players (e.g. projects with aboriginal people in Australia)</li> </ul>

**PROJECTS CONDUCTED WITH COMMUNITIES LOCATED NEAR HERMÈS' SITES IN FRANCE**

The challenges of developing a local presence and managing the Group's impacts are operational issues addressed as closely as possible to the regions by the teams involved, depending on the project. As a result, the various teams concerned take part in the Group's actions: real estate, sustainable development, purchasing, training teams, etc.

**Real estate presence in the regions**

In order to avoid causing a negative impact on local residents near the Company's operating sites and on the residents of regions in which its sites are located, or contributing to such impacts through its own practices, Hermès undertakes numerous actions. These include, where applicable, actions relating to planning, land acquisition and exploitation, finance, extraction or production of raw materials, use of natural resources, and management of environmental impacts.

The Harmonie real estate standard, developed by the Group, applied to all its real-estate projects, is part of this approach and aims to minimise negative impacts near Hermès' own operating sites (see § 2.1.2.1.2).

Projects include initiatives in favour of biodiversity, in particular studies of fauna/flora. For example, at the Beyrand site in Limousin (France) it was necessary to consult naturalists, as well as to plant local non-invasive native species.

In France, as mentioned above, the construction of new leather goods workshops has made it possible to revitalise regions economically, due in particular to the fact that Hermès mainly hires local craftspeople and contributes to the local economy by supporting projects within these local communities.

In concrete terms, the locations of Hermès Maroquinerie-Sellerie (HMS), often in rural areas, lay the foundations for significant local revitalisation for the communities in question and are reflected in

particular in the stimulation of local consumption and support for real estate, an influence on collective infrastructure needs. The Maroquinerie de Riom, inaugurated in 2024, is a good example of the establishment of workshops in the French regions. Originally, it was a brownfield site reused by the Group, from a former tobacco factory listed as a historical building and which is part of the local industrial heritage. Located about 10 minutes on foot from the station, it is accessible using soft mobility on regional trains, while being integrated into the Riom town centre. Prior to building this workshop, Hermès worked closely with local authorities and the architects of Bâtiments de France by conducting discussions on the economic, heritage and environmental impacts of the project. Stakeholders stressed the importance of this project in the employment dynamics of the region from the construction phase, to which local players made a significant contribution.

**Positive contribution to employment and training**

Other initiatives enable Hermès to express its uniqueness, as well as extend its outreach into numerous regions, and create constructive ties with local economic players. These harmonious relations with stakeholders contribute positively to its local integration. Thus, to promote local recruitment, Hermès relies on numerous partnerships with the local branches of France Travail and with schools. The goal is to help train the new generations of craftspeople, as well as showcase offers and métiers, allow hands-on practice, and explain the Group's métiers to the young generations. Regardless of the site's activity or its geographical location, this approach consists of:

- ◆ workshop visits by high school students to discover the craftsmanship métiers;
- ◆ talks in secondary schools to present the métiers and become known prior to the pupils' choice of a career path;
- ◆ the organisation of collective information with France Travail;
- ◆ the creation of appropriate local training programmes.

For its leather goods activity, Hermès, through its Écoles Hermès des Savoir-Faire (EHSF) initiative, is strengthening local training and the promotion of craftsmanship métiers in the French regions. After the opening of the Guyenne (Gironde) workshop-school, the Allan (Drôme), Pantin (Seine-Saint-Denis) and Pierre-Bénite (Rhône) sites are now home to the EHSF. Future craftspeople undergo an 18-month training course leading to a certificate prior to the opening of sites. Recruited without a CV, on the basis of their manual skills and their ability to learn, assessed in conjunction with France Travail, around 30 craftspeople join each class every six months. Once operational, these teams enable the immediate launch of activities, such as in Riom in 2024. Each leather goods workshop will eventually have around 250 craftspeople, maintaining craftsmanship skills in the local community. In addition, Hermès is offering new vocational certificates (CQP) for the cutting and stitching craftsmanship métiers, the first of which were awarded at the end of 2024.

As well as the training functions described in § 2.1.3.1.6, the Écoles Hermès des Savoir-Faire contribute to economic development and employment in the regions where they are located and, as such, benefit residents living near these sites in France.

Furthermore, as part of the Group's commitment to people with disabilities (see § 2.1.3.1), HMS has been involved with adapted companies (EA) and sheltered work establishments (ESAT) since 1999. Thus, in 2024, new partnerships were forged to support the leather goods workshops in the cutting of stiffeners. In addition to these production operations, Hermès Maroquinerie-Sellerie promotes the integration of people with disabilities in various local subcontracting contracts, such as collective catering or multi-technical maintenance.

In this way, Hermès takes into account the needs of people who are particularly vulnerable because of their difficulty in finding employment and on account of their disability in its own workers as well as in its value chain.

#### **Textile sites**

Interactions between Hermès, through Holding Textile Hermès (HTH), and local communities also have positive impacts. These actions are at the heart of HTH's commitment to regional development and social inclusion. In 2024, Hermès entrusted the Executive Master of the École urbaine de Sciences Po Paris with a field mission on the regional implementation strategy. The objective was to analyse and measure the externalities related to the establishment of certain HTH sites and to assess their impact as well as the creation of value for the regions concerned.

HTH also supports the transmission of savoir-faire in the textile sector by maintaining relationships with training organizations such as:

- ◆ Maya Campus, a training organisation for the professional textile industry;
- ◆ FrenchTex, the largest regional professional textile organisation in France.

These partnerships aim to facilitate access to the textile industry for young people and professionals undergoing training, thus contributing to the sustainability and development of skills in the sector.

#### **Sites in Seine-Saint-Denis**

Present with several sites in Seine-Saint-Denis, Hermès supports the economic development of the Seine Saint-Denis region by collaborating with the Réseau Entreprendre 93 association, created in 2003. The Company actively participates in supporting local business projects with strong job creation potential, by providing financial support and mentoring. Since 2022, Hermès takes part in a sponsorship programme for young companies, enabling regular exchanges between entrepreneurs and members of the House to support them in their development.

Since the commitment to the area of Seine-Saint-Denis also involves the protection of its biodiversity, in 2024 Hermès took part in the 20,000 Trees Plan, which consisted of planting trees in public spaces of the Est Ensemble community of municipalities (notably in Pantin and Montreuil).

#### **Projects conducted with local populations abroad as part of the upstream value chain**

Hermès sources its ostrich hides in South Africa, in the Klein Karoo region. While the region has developed a resilient agricultural model thanks to a network of dams and irrigation canals erected in the last century, it is now threatened by the proliferation of invasive exotic plants (such as the "black wattle" mimosa and the white "Poplar"), which now form real forests on valley floors. These plant formations smother endemic vegetation, destroy the original biodiversity, reduce or cancel out the low-water flow of watercourses and increase the frequency and intensity of fires. The fight against these invasive plants has become a national issue in South Africa. Faced with these challenges, the provincial government is subsidising an association of farmers to carry out projects to eradicate this invasive vegetation, supervised by the Cape Nature association, tasked with defining best environmental practices promoting the regeneration of endemic vegetation. Hermès, in accordance with its policy, has decided to support these actions, which are beneficial for biodiversity, water supplies for local populations and agriculture, thus perpetuating the Ostrich supply chain (meat - leather - feathers) essential to the economic and social fabric of this region. For more information, see § 2.1.2.3.4.

In Mongolia, the Group has initiated partnerships with NGOs to understand and secure the nomadic livestock activity that structures the local cashmere industry. This work aims to promote and secure acceptance of approaches that are more respectful for the environment and the development of herds while guaranteeing the revenue of farmers and the preservation of their age-old nomadic way of life.

In Brazil, through its partners, the Group is carrying out actions to ensure the sustainability of the silk sector (i.e. cultivation of mulberry trees, silkworm farming), particularly in the face of the challenges of environmental transition, thus helping to secure the activity of farmers and local communities.

In Australia, Hermès Cuirs Précieux (HCP) farms are located in the Northern Territories and Queensland, where Aboriginals account for 30% and 5% of the population respectively. As key stakeholders in these regions, the House supports the economic development of these local communities and contributes to the preservation of their culture and their land. In this way, HCP supports the economic development of local indigenous aboriginal communities and contributes to the preservation of their cultures and lands through reptile farming activities. In addition to the direct employment of community members, collaboration is established in the form of the payment of royalties. When eggs are collected on their land, aboriginal communities receive fees, set by local regulations. For example, Djelk rangers participate in the collection of eggs. participate in the collection of eggs. In addition, a porosus hatching and breeding micro-farm was built locally with ASRAC (Arafura Swamp Rangers Aboriginal Corporation). It is fully owned and operated by the community living nearby.

In 2024, no serious human rights issues or incidents related to affected communities were reported.

### 2.1.3.3.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S3-5)

In order to be able to assess the reduction of negative impacts on the affected communities, the advancement of positive impacts on the affected communities, and the management of material risks and opportunities related to the affected communities, Hermès launched a regional footprint study in France with a firm of experts in this field, using the Global footprint© method, whose results will be made available in 2025.

In addition to Hermès' regional commitment charter presented above, a questionnaire was sent to all sites in order to measure the local impact and obtain objective results. This data reporting is designed to be repeated each year to monitor the effectiveness of the actions carried out.

### 2.1.3.4 CONSUMERS AND END-USERS (ESRS S4)

#### 2.1.3.4.1 Interests and views of stakeholders (ESRS 2 SBM-2)

As indicated in § 2.1.1.5.3, Hermès has identified consumers and end-users as important stakeholders with whom the Company engages and holds discussions, in particular in order to provide responses adapted to their expectations. As a reminder, the methods used for engaging and holding discussions are as follows:

Stakeholders	Inform	Dialogue	Collaborate
Customers, consumers and their representatives	Website and social networks <i>Empreintes sur le Monde</i> ("Footsteps across the World") films <i>Le Monde d'Hermès</i> magazine	In-store interaction with sales staff "Hermès in the Making" event Open days Site visits	Links with the CRC (Customer Relations Centre) to improve the safety of Hermès products in the event that a quality defect is identified

Hermès' business model aims to offer its customers exceptional products, inducing aspiration and desire. This strategy is built on a loyal customer base, sometimes spanning several generations. The strength of Hermès is based on the principle of freedom of purchase, where each store offers a unique range of objects, a proposition based on the store directors' keen knowledge of the expectations of local customers. However, the Group makes every effort to offer unique, useful objects of unquestionable quality. This strict level of requirements is particularly important for products that come into contact with the skin or mucous membranes (such as perfume and make-up).

During the IRO identification workshops for the Group's customers, it was determined that negative impacts related to health and safety, although extremely rare across all Hermès métiers, were more likely to occur in the Perfume and Beauty segment. To avoid any impact, Hermès complies with extremely stringent regulations in terms of the composition of these product categories. § 2.1.2.2 provides more information on the House's approach to the use of chemicals and pollution prevention.

In addition, the Group communicates on the composition of its products in accordance with French, European and local regulations. Lastly, the Group adheres to best practices in terms of data protection.

#### 2.1.3.4.2 Material impacts, risks and opportunities related to consumers and end-users (ESRS 2 SBM-3)

For more information on the double materiality analysis and the identification of impacts, risks and opportunities, please refer to § 2.1.1.3 "Description of the processes to identify and assess material impacts, risks and opportunities" and § 2.1.1.4 "Group risk management framework".

As detailed in § 2.1.1.5 "Strategy, business model and value chain" and § 2.1.1.6 "Impacts, risks and opportunities and their interaction with strategy and business model", Hermès' sustainable development roadmap and business model include considerations related to the health and safety of customers as well as the protection of personal data.

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy
<b>ETHICS AND COMPLIANCE</b>					
36 Impact of inappropriate use of personal data	Negative impact	All customers	Short term	Potential	Ethics charter Code of conduct Compliance with data protection laws (including the General Data Protection Regulation) ISP procedure (Integration of security and privacy in projects)
37 Impact of the Group's products on customer health and safety	Negative impact	Perfume/Beauty customers	All time horizons	Potential	Compliance with the European cosmetics regulation Formulation charter H-Alert! procedure

2

**Impact of inappropriate use of personal data:** inadequate security measures or inappropriate use of customers' personal data could lead to a breach of their privacy.

**Impact of the Group's products on customer health and safety:** inherent product defects or poor design of the Group's cosmetics or perfume products could affect the health and well-being of customers.

Given Hermès' activity, the two negative impacts identified above remain rare and may be caused by one-off incidents (quality defect or improper data use). § 2.1.3.4.5 details the actions in place to manage these impacts.

As part of the identification of the impacts, risks and opportunities related to its customers and consumers, Hermès has not identified any categories of individual customers who are more vulnerable or more exposed to a risk of harm.

#### 2.1.3.4.3 Policies related to consumers and end-users (S4-1)

The human rights policies that specifically address material issues related to consumers and end-users are based on the guidelines of the Group's framework (see § 2.1.3.2.3).

##### Customers' personal data

###### PERSONAL DATA PROTECTION POLICY

Respect for privacy is more than a legal obligation, it is one of the House's values and an essential commitment to maintaining a relationship of trust with its customers. This commitment is particularly significant in the context of its commercial activity, which requires it to process customers' personal information.

Since 2015, Hermès has adopted a set of rules to protect the personal data of its customers in the form of Binding Corporate Rules (BCR). These BCRs, approved by the European Data Protection

Authorities, apply to all Group entities with a distribution activity. These BCRs, still in full force, foreshadowed the Group's more general data protection system implemented since then. This data protection system applies more broadly to all personal data collected (i.e. customers, employees, third parties) by all Hermès Group subsidiaries and métiers, regardless of their location. This Group system complies with the European General Data Protection Regulation (GDPR) which is one of the highest levels of data protection in the world and also takes into account local regulatory requirements. This system includes the code of business conduct, which contains a "Personal data" sheet (see § 2.1.4.2).

Customers have access on hermes.com and in stores to the Binding Corporate Rules as well as the confidentiality policy, which explains how their personal data is processed. The code of conduct is available on the company's finance website.

As part of this system, the Group Data Protection Officer is responsible for informing and advising the Company on its legal and regulatory obligations with regard to personal data, as well as steering and monitoring data processing and ensuring its compliance with these obligations. The Group Data Protection Officer is the point of contact for data subjects and for data protection authorities. This function reports to the Chief Compliance Officer.

Data protection guidelines have been rolled out to the network of internal control officers to support them in their second-level control duties. These guidelines provide, in particular, a reminder of the elements of governance, the control themes and the tools available for this purpose.

Lastly, personal data protection is more broadly part of the data governance set up by the Group. This governance also addresses the issues posed by artificial intelligence (AI), particularly in terms of risks and ethics.

## Customer health and safety

### CONSUMER HEALTH AND SAFETY POLICY FOR COSMETICS AND PERFUME PRODUCTS

Cosmetics are health products subject to cosmetic regulation 1223/2009 in Europe and the Group's policy is that all Hermès Perfume and Beauty products follow these requirements. This regulation strictly governs:

- ◆ their composition with positive lists of ingredients: UV-filters, preservatives, colourants; more than 1,700 prohibited substances and approximately 350 restricted substances;
- ◆ the selection of packaging that meets current regulations;
- ◆ labelling (i.e. list of ingredients, product function, claims, precautions for use, name and address of the person responsible);
- ◆ stability tests for the cosmetic product to ensure its durability;
- ◆ tolerance tests on alternative *in vitro* method models, usage tests to ensure cosmetic acceptability;
- ◆ manufacture and packaging (in accordance with ISO 22716: Good Manufacturing Practices);
- ◆ a safety assessment written by a toxicologist. This assessment takes into account, in particular, the toxicological profile of the ingredients in relation to consumer exposure. Safety margins are applied for the use of these ingredients;
- ◆ strictly regulated product claims on the performance and environmental impact of the cosmetic product;
- ◆ the creation of a Product Information File made available to the health authorities;
- ◆ notification of the cosmetic product on a European portal available to health authorities;
- ◆ an obligation to keep a watch on the market by monitoring adverse reactions. This cosmetovigilance process makes it possible to support consumers in the investigation of the occurrence of undesirable effects. Serious undesirable effects as defined by the cosmetics regulation shall be notified to the health authorities;
- ◆ regular inspections by health authorities;
- ◆ regulatory monitoring to anticipate regulatory changes.

Hermès Perfume and Beauty is also a member of professional associations such as Febea in France and PCPC in the United States and can thus closely monitor regulatory changes. The Group's Perfume activity systematically adapts its internal policy to the most demanding regulatory or sectoral instruments in terms of protecting the health of its customers.

### Policies related to market surveillance on customer complaints, quality, including cosmetovigilance complaints

In the event of undesirable effects due to misuse, or the appearance of sensitisation or irritations to one of the ingredients in a formula, customers can report such reactions to the Customer Relations Centre. These situations can also be identified by internal teams. Each case is studied by the quality and regulation teams with the help of toxicologists. In the event that the frequency of a case is deemed

too high, the product concerned may be withdrawn from the market or be reformulated. As a reminder, the labelling of cosmetic products mentions substances at risk of sensitisation (allergens) and the INCI list (International Nomenclature of Cosmetic Ingredients).

### Ingredient phase-out policy

The formulation charter, which goes beyond regulations, aims to anticipate future regulations that could prohibit certain ingredients due to their impact on human health or the environment.

The proper implementation of the policies presented above is verified by regular inspections carried out by the supervisory authorities.

### 2.1.3.4.4 Processes for engaging with consumers and end-users about impacts (S4-2)

## IMPACT ON PERSONAL DATA

The principles of protection of privacy by design and by default are ensured by the use of tools for managing data protection impact assessments and managing the record of processing activities. These tools are part of the procedure for integrating security and privacy into projects (ISP), which involves the Group's Chief Information Security Officer (CISO) and Data Protection Officer teams. In this context, the teams approach matters from the customer's perspective in order to check whether projects using personal data include privacy protection.

In the event of a personal data breach, the Group initiates the breach management procedure, which enables it to correctly report the incident, supervise its investigation, assess the risks to individuals and minimise the impacts, while ensuring compliance with the regulations in force, in terms of notification to the authorities and/or persons concerned, where applicable. Data breaches give rise to feedback to avoid the occurrence of similar situations.

## HEALTH/SAFETY IMPACT

On many occasions, direct engagement occurs between the Group and consumers and end-users. Hermès' customers often enjoy a special and sometimes designated relationship with their in-store sales associate. The Hermès sales ritual, which values authenticity and simplicity, encourages customers to ask whatever questions they wish, especially regarding the health and safety of the products offered.

This approach is no exception in the perfume-beauty segment. Dialogue with customers takes several forms:

- ◆ like all of the Group's métiers, Hermès Perfume and Beauty is passionate about creating desire and surprise in a customer rather than simply meeting expectations. For this reason, the Group does not consult representative populations of its customers (such as focus groups). Visibility studies looking at knowledge of the perfume-beauty universe may occasionally be carried out indirectly, with the support of service providers specialising in media studies;
- ◆ nevertheless, the opportunity for customers to report any dissatisfaction or concern about possible risks to their health and safety after using a Hermès product is part of the Group's written cosmetovigilance procedure (1).

1. As a reminder, cosmetovigilance is governed by Regulation (EC) No. 1223/2009 of the European Parliament and of the Council of 30 November 2009 on cosmetic products (cosmetics regulation), in particular Article 23 and Articles L. 5131-5., L. 5431-8 and R. 5131-6 to R. 5131-15 of the French Public Health Code (CSP).

In order to organise moments to listen to its customers, particularly its most loyal customers, Hermès Perfume and Beauty organises events on product safety or possible adverse effects on their health.

To date, there is no direct measurement of the effectiveness of Hermès' customer engagement. Certain media studies can assess customers' positive or negative perception of perfume-beauty products, but these do not cover the quality of the dialogue measures in place with these customers.

The quality department and the customer service department issue mid-year and annual summaries of customer feedback.

This dialogue is supervised by the Managing Director of the Perfume and Beauty métier.

#### **Vulnerable customers**

Hermès has not identified any categories of customers likely to be further marginalised or vulnerable to the material negative impacts above, and as a result has not adopted any specific measures to respond to these categories.

For information, the stores are accessible to people with disabilities in accordance with the regulations applicable locally, and the Group is working to make its e-commerce platforms ever more accessible to different types of disabilities.

#### **2.1.3.4.5 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns (S4-3)**

#### **IMPACT ON PERSONAL DATA**

The Group's data protection system takes into account the potential impacts of its personal data management practices to limit the risks of breaches of privacy. For example, when a processing operation is considered sensitive, an impact analysis is carried out in order to identify, classify and define the actions to be carried out according to the potential risk.

In the event of a personal data breach, the Group initiates the breach management procedure, which enables it to correctly report the incident, supervise its investigation, assess the risks to individuals and minimise the impacts, while ensuring compliance with the regulations in force in terms of notification to the authorities and/or persons concerned, where applicable. Data breaches give rise to feedback to avoid the occurrence of similar situations.

Any individual whose data is processed by the Hermès Group has rights, in particular the right to access, modify, erase or oppose its processing. Any individual may file a complaint with the Group's Data

Protection Officer. Individuals also have the right to file a complaint with their local data protection authority in the event of an alleged breach of the data protection rules applicable to them.

When consumers or end-users use one of the channels presented above, they are reminded of their rights over the data concerning them (in writing, by mentioning information on the data collection forms, by telephone via an automated message, as well as at any time via the privacy policy available in stores and online). These rights can be exercised online, in-store, by email, by telephone and by post.

The Data Protection Officer can also be contacted directly by any individual at the following email address: [privacy@hermes.com](mailto:privacy@hermes.com). The processing of requests is confidential and is carried out in accordance with the Group's procedures, in compliance with applicable laws and regulations. Individuals always have the right to lodge a complaint with the competent authority if they believe that their rights have not been respected or that the processing of their data does not comply with regulations. Whistleblowers are thus protected from the risk of retaliation (see § 2.1.4.2).

#### **HEALTH AND SAFETY IMPACT**

##### **Reporting of alerts**

To date and during this financial year, the Group's Perfume-Beauty division is not aware of any product health/safety concerns, and there have been no product recalls due to controversies related to possible health impacts. When customers are faced with a use or situation that they consider risky as a result of the use of the Group's perfume or cosmetics products, the possible channels for raising alerts are as follows:

- ◆ by telephone via the Consumer Relations Centre (CRC), which covers 78.5% stores, and which can redirect requests to the Perfume-Beauty customer service department;
- ◆ online via the [Hermes.com](http://Hermes.com) website (which can also redirect requests to the Perfume-Beauty customer service department);
- ◆ through retailers and e-retailers who forward requests directly to the Perfume-Beauty customer service department for Europe, or to the Hermès Perfume and Beauty entity in any other market region, which can then redirect to the centralised customer service department.

H-Alert! system accessible to all third parties as indicated in § 2.1.4.2 allows consumers and end-users to make an alert if they deem it necessary. If necessary, these alerts are sent to the appropriate department in the Perfume and Beauty métier for processing and implementation of corrective actions. The users of the system are protected from the risk of retaliation.

Consumer confidence in these channels is strengthened by the efficiency of the request processing process, as well as by the availability of information on these channels on its main platforms (website, stores, etc.). Hermès ensures that each request is handled with professionalism and rigour, thus ensuring an adequate and rapid response to customer concerns.

#### **Treatment and remediation**

In the event of an alert, precise analyses can be carried out according to the type of complaint (for example, olfactory analysis if feedback is received on a scent). In all cases, a traceability process is initiated to verify the separate items from subcontractors or directly on Hermès sites.

The customer department can provide a response to the consumer, either directly or via the relevant geographic market area. This response is prepared by the customer department with the support of experts in the departments concerned (for example via the quality department for a technical issue, regulatory affairs for a formulation issue). The customer may be invited to exchange the product under investigation for an identical product if it is a packaging issue, or an alternative product if the problem is a reaction to the formula.

In the event of repeated or serious cases, following analysis, customer feedback may lead to changes in packaging or reformulations.

#### **2.1.3.4.6 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions (S4-4)**

Hermès determines the necessary and appropriate actions to be adapted based on strict regulatory or sectoral frameworks, and by applying them to its own policies and activities. These frameworks are presented in § 2.1.3.4.3. The Group monitors and measures the absence of personal data leaks, as well as the impact of perfume-beauty product recalls. No human rights incidents related to consumers and end-users have been recorded by Hermès.

Actions relating to the quality of perfume-beauty products protect this activity from the risk of negative impact on its customers. With regard to personal data, the remedial actions presented above as well as the actions detailed below are intended to protect consumers from the inappropriate use of their personal data and to protect their privacy.

#### **Actions to limit risks related to the use of personal data**

As indicated in § 2.1.3.4.4, at the request of the métiers when a project covers a computerised dimension and/or includes personal data, specific procedures (in particular the "Integration of Security into Projects" procedure or "ISP") are implemented according to the data protection principle of privacy by design & by default. The risks in terms of IT security (cybersecurity) and the protection of privacy and personal data are assessed and may lead to adapting the project to meet the standards presented in § 2.1.3.4.3.

Employee data protection training through an e-learning module is included in the onboarding programme for new employees, and then renewed every two years. In-person training is provided to the categories of employees most exposed to risk, such as in-store teams.

In the event of inappropriate use or securing of personal data resulting in their breach by unauthorised disclosure, modification or disappearance, the Group's data breach management procedure is immediately applicable. This procedure covers the reporting and management of data breaches, including their possible notification when required by law. It also provides for a feedback phase to prevent an identical or similar breach from occurring again. Remediation actions may be technical and organisational, or consist of training/awareness-raising actions; these actions are all monitored.

#### **Actions taken to limit risks related to the health and safety of perfume-cosmetics products**

In advance of each product release prior to its marketing, the Hermès Perfume and Beauty quality department performs various tests and controls: release controls on all batches manufactured (internally and externally), as well as on aesthetic, functional and olfactory aspects, microbiology release tests on high-risk formulas (for example formulas with a particular pH), and lastly, physicochemical tests in the event that product non-compliance is detected.

A product may only be released and placed on the market when all non-compliance identified during the manufacturing/packaging process has been resolved.

Hermès Perfume and Beauty audits its subcontractors, packaging and raw materials suppliers to ensure that they comply with best manufacturing practices according to cosmetic goods regulations: audit every three years or more frequently depending on the risk.

Hermès Perfume and Beauty follows the best manufacturing practices of the European cosmetics regulation.

In the event of an alert related to the safety of perfume-beauty products, the cosmetovigilance process is applicable as described above: upstream and downstream traceability would be carried out, via the finished product reference number and batch number. The communication that accompanies a product withdrawal/recall procedure is decided on a case-by-case basis. If the withdrawal is related to a customer safety issue, Hermès Perfume and Beauty would be obliged to declare the withdrawal to the authorities via a dedicated RAPEX regulatory website.

Hermès' sales practices have no impact on consumer health. Hermès does not engage in any aggressive marketing or advertising aimed at its customers. The complaints filed by the latter are related to occasional quality defects. Hermès therefore does not take any particular action relating to its communication and sales practices.

#### **Teams dedicated to the actions undertaken**

Teams are dedicated to personal data protection, the Consumer Relations Centre (CRC) and after-sales service. In particular, the Data Protection Officer relies on a network of liaison officers throughout the Group – mainly consisting of the Chief Information Security Officer (CISO), members of the legal department, internal control officers and Regional Data Protection Officers. This network enables him or her to be regularly informed of issues related to personal data, to ensure that they are dealt with consistently by the subsidiaries and to be alerted to local legal and regulatory changes where applicable. In addition, the Data Protection Officer is supported by a network of specialised lawyers, present in all the countries where the Group operates.

Teams are also dedicated to consumer health and safety in all operations that ensure the management of a potential negative impact: regulatory teams, product quality, cosmetovigilance, after-sales service, etc. The quality teams in particular are mobilised, with the provision of controllers, who ensure the quality of the separated and semi-finished elements, and releasers, who ensure the quality of finished products.

No positive social contribution has been identified for consumers and/or end-users in the context of the material impacts, risks and opportunities identified. In terms of risks relating to personal data, training and raising awareness of Group employees about cybersecurity may help to limit the risk of personal data theft and benefit the Group's customers.

Through its organisation and policies presented in § 2.1.3.4.3, Hermès ensures that procedures are put in place to remedy or make it possible to remedy the material negative impacts identified as part of its double materiality analysis, as well as the effectiveness of their implementation and outcomes.

#### **2.1.3.4.7 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities (S4-5)**

The targets below have been established for the two types of impacts identified.

##### **Data protection target - valid for the entire scope of Group customers**

Stay continuously below the legal obligation in terms of managing rights, which is 30 days according to the GDPR standard, as mentioned in the Group's policy. This objective is constant over time.

##### **Product health & safety**

The Perfume-Beauty activity has not, to date, defined targets related to the health and safety of its products. This is mainly due to the absence of any controversy or risky situation identified, and the robustness of the mechanisms in place. Targets may be defined in the coming years.

## 2.1.4 GOVERNANCE INFORMATION

The role of the administrative, management and supervisory bodies (ESRS 2 GOV1)

As business conduct is an integral part of the sustainability of Hermès' business model, information relating to the roles of the administrative, management and supervisory bodies and their expertise is presented under ESRS 2, within this document.

### 2.1.4.1 Description of the processes to identify and assess material impacts, risks and opportunities (ESRS 2 IRO-1)

The process for performing the double materiality analysis and identifying impacts, risks and opportunities is set out in § 2.1.1.3 "Description of the processes to identify and assess material impacts, risks and opportunities" and § 2.1.1.4 "Group risk management framework".

As detailed in § 2.1.1.5 "Strategy, business model and value chain" and § 2.1.1.6 "Impacts, risks and opportunities and their interaction with strategy and business model", Hermès' sustainable development roadmap and business model include considerations related to business conduct. In the specific case of this ESRS, a non-material sub-topic was identified:

- ◆ political engagement and lobbying activities: this non-materiality is justified by the very limited lobbying activities.

Furthermore, given the fact that negative impacts on workers in the value chain were identified as part of ESRS S2, the policies, actions and targets relating to supplier support and the positive transformation of the value chain are presented in § 2.1.3.2. The IROs relating to supplier support, given their inclusion in the G1 standard, are nevertheless described below.

IRO title	Nature of IRO	Scope	Time horizon	Potential impacts	Policy
<strong>PLANET</strong>					
<strong>Environment</strong>					
<strong>Responsible supply chains</strong>					
22	Impact of the Group's practices and its value chain on animal welfare	Negative impact	Upstream value chain	All time horizons	Actual
23	Risk of damage to the Group's image related to animal welfare	Risk	Upstream value chain	All time horizons	Animal welfare policy Supply chain brief Certification
<strong>COMMUNITIES</strong>					
<strong>Partners and suppliers</strong>					
<strong>Supporting and auditing suppliers</strong>					
32	Contribution to the sustainable approach of the Group's suppliers	Positive impact	Upstream value chain	All time horizons	Actual
33	Opportunity stemming from the Group's long-term partnerships with its suppliers	Opportunity	Upstream value chain	All time horizons	Vigilance plan Responsible purchasing policy
<strong>ETHICS AND COMPLIANCE</strong>					
38	Risk related to controversies over unethical or non-compliant practices	Risk	Direct operations and value chain	Short term	Vigilance plan Responsible purchasing policy Code of conduct Ethics charter

◆ **Impact of the Group's practices and its value chain on animal welfare:** due to the use of raw materials of animal origin in the manufacture of its objects, the Group, through its supply chains and direct operations, may have a negative impact on the livestock farming practices used in its value chain, which could be contrary to the principles of animal welfare.

◆ **Risk of damage to the Group's image related to animal welfare:** likewise, controversies related to animal well-being and welfare that may arise in the Group's value chain may directly or indirectly harm its image as an ordering party. These controversies could then negatively affect the reputation and desirability of the brand.

- ◆ **Contribution to the sustainable approach of the Group's suppliers:** thanks to long-term relationships of trust with its business partners, Hermès can support the adoption of ethical, social and environmental practices by its suppliers. This support can take the form of material assistance or expert support (by training and raising awareness among Hermès' suppliers on how to manage their carbon footprint, for example)

- ◆ **Opportunity stemming from the Group's long-term partnerships with its suppliers:** the long-term relationship maintained with its suppliers may also enable Hermès to better control social and environmental practices in its value chain, and thus increase resilience and risk management for Hermès. The quality of these relationships also helps the Group to secure its value chains.

- ◆ **Risk related to controversies over unethical or non-compliant practices:** practices contrary to the ethics rules of business conduct could lead to a loss of trust and credibility with all of the Group's internal and external stakeholders (employees, suppliers, customers, investors, etc.). Non-compliance with ethics rules and regulations may also result in sanctions from the competent authorities.

In terms of the fight against corruption, the procedures and risk analyses implemented are described in § 2.1.4.2. The procedures applicable to whistleblowers are detailed in § 2.1.4.2.

In order to identify and assess impacts, risks and opportunities related to business conduct throughout its value chain, Hermès used the duty of vigilance risk mapping, itself consistent with the analysis of non-financial risks and the risk mappings generated for its activities and supply chains. This global duty of vigilance risk mapping was developed in association with internal and external stakeholders.

The vigilance plan takes into account all of the Hermès Group's activities (internal entities, distribution subsidiaries and the activities of value chain players (see Hermès value chain in the vigilance plan)).

The universe of risks analysed and identified as part of the vigilance plan was defined by the Hermès Group in light of the requirements of the Duty of Care law and according to the Hermès Group's activities (see Duty of care risk universe, included in the vigilance plan).

The vigilance plan enables the Hermès Group to identify, avoid or reduce as far as possible the impact of disruptions in its supply chain.

In this context, the Group has also rolled out training designed for Purchasing and Supply Chain Managers. This training covers collaboration and dialogue with suppliers. It includes the general purchasing framework (legal regulations, payment terms, etc.), social issues and respect for human rights.

As part of the preparation of this mapping, the Compliance and Vigilance Committee thus:

- ◆ defined a specific Hermès risk universe, which includes animal welfare;

- ◆ deepened the analysis of risks in certain scopes assessed as priorities;

- ◆ determined a single framework for the analysis of gross risks.

#### 2.1.4.2 Corporate culture and business conduct policy (G1-1)

##### General approach to business conduct

Hermès has remained true to its values since 1837 and continues to thrive as a house where craftspeople are at the fore. By selecting the finest materials, it produces exceptional, useful and aesthetic objects, designed to last, thanks to their quality and desirability, and to be passed on. Hermès has a world-wide reputation, but the House has always been, and remains, an independent company supported by family shareholders, a sign of pragmatism, stability and longevity. Promoting French manufacturing, its project is based on the excellence of the craftsmanship métiers; human hands, savoir-faire and quality are the keys.

The attention paid to people is naturally at the heart of the House's craftsmanship model.

##### Business conduct approach

Driven by its humanist values, the Hermès Group's ethics policy aligns with the universal framework set down by the major principles, standards and international agreements, in particular those relating to human rights.

Hermès pays close attention to working conditions and to respect for human rights as defined by the United Nations and OECD principles set out in § 2.1.3.2.3 (table of international standards of conduct).

Specific governance, carried out at the highest level of the organisation, guarantees the commitments, policies, control and alert systems that form the foundation of the approach.

The attributes of craftsmanship have shaped the development of the House since its founding and, at the same time, its relationship with the world. Naturally rooted in respect and humility, these attributes, over time, have become company values.

The presence of these values permeates all employees, suppliers and partners. They form the platform for the House's actions in matters of sustainable development by appropriating the notions of individual and group responsibility, authenticity in the search for excellence, or acceptance of the long-term approach as a factor influencing performance. Lived and embodied by the Senior Executives and all employees, today they are the lifeblood of its DNA and represent the founding pillars of the sustainable development approach that Hermès shares with its stakeholders.

To promote its business conduct, Hermès has two documents that present its ethics values and structure its strategy: the ethics charter and the code of business conduct. These documents enable it to implement and assess the way in which its ethics rules are put in place. They are regularly reviewed by the Compliance and Vigilance Committee, a body described in § 2.1.4.2.

Furthermore, Hermès has formalised its ethics requirements through the commitments, tools and documents presented below, and in particular:

- ◆ its determined commitment to a culture of ethics and respect for human rights. This commitment is accompanied by a structured approach to protecting individuals' personal data processed by the Hermès Group (see § 2.1.4);
- ◆ a policy on the prevention and fight against corruption, and zero tolerance in terms of breaches of probity, described below.

#### **ETHICS CHARTER**

The House's ethics have been formalised in an ethics charter since 2009. Updated in 2023, it is distributed worldwide in several languages and is accessible to all its employees and stakeholders.

*The ethics charter serves to enrich the corporate project around the genuineness of the Group's purpose and ethics. It guarantees respect for the debt of gratitude that is owed to Hermès's employees and partners.*

*This charter does not replace the laws and regulations applicable in the countries where the Group operates, but aims to promote compliance with them and ensure their proper application. It is of course in line with fundamental principles such as the Universal Declaration of Human Rights, and the rules of the ILO, the OECD and the Global Compact. It is one of the means of ensuring the sustainability of the Group's unique business model.*

Henri-Louis Bauer – Chairman of the Executive Management Board of Émile Hermès SAS; Axel Dumas – Executive Chairman

A summary version is also available externally on the website<sup>(1)</sup> and internally, can additionally be found on the HermèsSphère intranet in the "Our Ethics" section. It reaffirms the Group's desire to respect fundamental principles in its relations with its stakeholders and is signed by the Executive Management.

The ethics charter, designed as a tool for progress and dialogue, aims to promote compliance and ensure the proper application of laws, regulations and fundamental principles. It invites employees, in the event of difficulty in application or misunderstanding, to talk to their line manager. It is structured around the following points:

- ◆ relations between Hermès and its employees;
- ◆ relations between Hermès and its suppliers;
- ◆ relations between Hermès and its customers;
- ◆ relations between Hermès and its shareholders;
- ◆ the uncompromising principles of Hermès objects;
- ◆ relations between Hermès and society;

- its environment,
- relations with communities and local authorities,
- its cultural and solidarity actions,
- its communication;
- ◆ adherence to international principles;
- ◆ relations with its stakeholders, with which Hermès aims to ensure dialogue and consultation in order to contribute to the economic and social development of the regions and employment areas where its manufacturing and commercial sites are located. Hermès is investing in this to have a positive impact, by using local resources as much as possible, as a socially responsible company in a spirit of regional responsibility.

#### **CODE OF BUSINESS CONDUCT**

A code of business conduct, available in several languages, is distributed to all employees worldwide. It sets out the House's guiding principles on business ethics. It was updated in 2023, in particular to strengthen the Group's commitment in terms of competition law.

*To help make sure that everyone is on the same page, this "code of business conduct" has been formalised. Its role is to raise awareness of certain risks and to instil Group employees with behavioural reflexes in response to frequently raised issues.*

*The sheets below, each of which must be responsible for the proper application of the code, are instruments of progress and dialogue.*

Axel Dumas – Executive Chairman

The code is issued to all employees as soon as they join the House, is signed by the Executive Management and is available on the internet<sup>(2)</sup>.

Its purpose is to raise employees' awareness about ethics risks and to instil behavioural and alert reflexes. It consists of factsheets, dealing with key issues.

The Hermès Group maintains relationships with its employees and partners based on trust, open communication and a control strategy adapted to the issues. To ensure that each employee adheres to the rules of good conduct adopted by Hermès, numerous training sessions help them to understand the importance and the issues of the Group's ethics approach in the performance of their activities. Partners are informed of the Group's expectations and the existence of information reporting channels and the procedures for using these.

The promotion of ethical values is supported through actions to raise awareness and provide training in the Group's policies. The Group has also put in place prevention and detection systems to prevent any infringement of its principles.

1. <https://finance.hermes.com/en/publications/>

2. <https://finance.hermes.com/en/publications/>

## **Business ethics governance and compliance network**

### *Strategic governance*

Alongside other members of the Executive Committee, Axel Dumas, Executive Chairman, drives compliance with ethics rules, applying a firm policy of zero tolerance of any act of corruption. Thus, the commitment of the governing bodies is embodied at the Group's highest level.

In this context, the Executive Committee reviews the Group's strategic compliance and risk management tools, the first of which is mapping of the duty of care and corruption risks. See in particular details in § 2.1.4.3.

The fight against corruption in all its forms permeates all the Group's policies and procedures.

Governance of anti-corruption is supported by the legal compliance department and includes the Compliance and Vigilance Committee and the Ethics Committee with a local relay thanks to the network of Group compliance liaison officers.

*The update of the Group's anti-corruption risk mapping, as well as all the recommendations resulting from the action plans aimed at controlling these risks, demonstrate the Group's unwavering commitment to combating all forms of corruption and influence-peddling.*

*This exercise is part of the Group's approach to continually improve its anti-corruption and influence-peddling plan to make it increasingly robust and effective.*

Axel Dumas – Executive Chairman; Olivier Fournier – Executive Vice-President Corporate Development and Social Affairs

A Group corruption risk mapping was produced jointly in 2018 by the legal compliance department and the audit and risk management department and was then approved by the Group's Executive Committee.

This Group corruption risk mapping was updated in 2020 and then shared with all Group entities and departments. A further update of the Group's anti-corruption risk mapping will be completed in 2025.

The corruption risk mapping, carried out according to a rigorous methodology, covers all the Group's activities and all the geographical areas in which it operates. Each risk scenario identified corresponds to a potentially risky behaviour or situation in terms of corruption and influence peddling and specifies the geographical areas, the métiers mainly concerned and the third parties that may be involved. This is so that the anti-corruption action plans corresponding to each risk scenario can be implemented to respond as a priority, in a proportionate and effective manner to the challenges facing the Group.

As indicated above, the commitments made by the Group and its partners relate in particular to the following points:

- ◆ good labour practices and respect for human rights: prohibition of child labour, prohibition of forced labour, compliance with health and safety rules, respect for freedom of association, non-discrimination, respect of working time, appropriate compensation, prohibition of illegal work;
- ◆ good ethical conduct: the fight against corruption and money laundering and recommendations on best practices in relation to subcontracting.

The Hermès Group allows internal and external stakeholders to make reports.

In accordance with laws and in order to boost the fight against breaches of ethics and integrity, in 2019 the Group set up a global whistleblowing system called H-Alert!

### *Operational governance*

The main task of the legal compliance department is to design, develop, implement and lead the Group's compliance programmes and ethics policies worldwide. It identifies, evaluates and controls the compliance risks to which the Hermès Group is exposed, verifies compliance with the various laws and regulations, and ensures, in close cooperation with the Group's various departments, the coordination, implementation and updating of compliance programmes. The Chief Compliance Officer reports to the Group General Counsel, who reports to the Executive Vice-President of Governance and Organisational Development.

Business conduct matters are monitored by the Executive Vice-President of Governance and Organisational Development, a member of the Executive Committee. The latter reports to the Group's Executive Chairman.

The independence of the Chief Compliance Officer is ensured by direct and regular reporting to the Executive Vice-President of Governance and Organisational Development.

The Chief Compliance Officer chairs and coordinates the Compliance and Vigilance Committee and is also a member of the Group's Ethics Committee.

At least once a year, the Chief Compliance Officer reports on his duties to the Audit and Risk Committee of the Hermès International Supervisory Board.

For the implementation of compliance programmes and ethics policies within the Group, the legal compliance department relies in particular on the legal officers of the legal department of Hermès International in Paris, the legal departments of the subsidiaries (United States, China, Japan, Singapore and South Korea), the Group's network of internal controllers as well as on all department members of the Compliance and Vigilance Committee.

These employees take part in the implementation and management of compliance programmes, as well as the deployment of ethics policies in all of the Group's métiers and entities. They verify in particular that the policies and procedures put in place are applied by the operational staff in all the métiers and entities.

#### **COMPLIANCE AND VIGILANCE COMMITTEE**

The Compliance and Vigilance Committee meets at least four times a year. It is composed of the Group legal department and the Group legal compliance department, the audit and risk management department, the sustainable development and consolidation, tax and management control departments, the Group social development and Group direct purchasing and indirect purchasing departments, and finally the Group distribution activities department.

Its duties specifically include:

- ◆ advice and recommendations on prevention and monitoring actions, notably in terms of duty of care and the fight against corruption for all Group entities;
- ◆ monitor the development of compliance programmes: ethics and anti-corruption, vigilance plan, anti-money laundering, economic sanctions and competition law;
- ◆ the management of the deployment of awareness-raising and training campaigns for employees most at risk;
- ◆ monitor and update all the compliance programmes;
- ◆ supplement internal compliance guidelines, e.g. in terms of human rights.

The actions of the Compliance and Vigilance Committee contribute to:

- ◆ the provision of expertise;
- ◆ the dissemination of a culture of compliance by relaying the programmes to the entities' governing bodies and employees;
- ◆ ensuring programme coordination and consistency;
- ◆ develop the Group's policies in this area;
- ◆ supporting and monitoring compliance programmes.

#### **ETHICS COMMITTEE**

The Hermès Executive Committee oversees all ethical issues, particularly those relating to human rights. It is supported by an Ethics Committee set up in 2018 and chaired by the Executive Vice-President of Governance and Organisational Development, a member of the Executive Committee, and composed of the Director of Human Resources, who is also a member of the Executive Committee, the Group Director of Social Development, Group General Counsel and the Chief Compliance Officer.

The Ethics Committee oversees ethics actions with three main duties:

- ◆ advise on the Group's ethics culture and make recommendations;
- ◆ receive alerts (through various reporting channels);
- ◆ direct and monitor the treatment of these alerts.

#### **A GLOBAL NETWORK OF COMPLIANCE LIAISON OFFICERS**

In addition, legal teams located in France as well as in the United States, China, Japan, Singapore and South Korea are part of the network of compliance liaison officers and act as compliance relays. The latter collaborate with the Group legal compliance department and with the Group Data Protection Officer in order to develop, facilitate, coordinate and monitor compliance programmes and ethics policies within the Group. The legal teams benefit from a compliance

review framework enabling them to apply the corresponding programmes.

The international legal departments monitor compliance issues with the local teams. By way of illustration, a regional Compliance Committee was created in 2020 and meets quarterly to deal with all compliance, ethics and personal data issues in the South and South-East Asia region. This committee brings together the legal, human resources, internal control and management functions of the entities concerned.

The internal control officers and auditors are also compliance liaison officers and monitor the application of compliance programmes (see chapter 4 "Risk factors and management", § 4.3). The Group's internal control officers have access to a compliance review framework and second-level control plan developed in collaboration with the legal compliance department and the audit and risk management department.

#### **Prevention and internal control measures**

In order to verify the proper application of its compliance system, Hermès has deployed a control plan based on three levels:

- ◆ the first level of control is implemented directly by operational staff. This involves applying the principles and processes described in the Group's procedures on a daily basis. Compliance with the commitments made by the Group and its partners is initially checked by the métiers or operational entities. Each métier or entity is responsible for managing its relations with third parties, monitoring the issues identified and the implementation of corrective actions with them. Adopting a métier or entity approach guarantees third party proximity, awareness of the issues ahead and realistic systems set up to comply with the Group's rules. Nevertheless, to ensure that the Group system is well implemented in all métiers, entities and subsidiaries, coordination is carried out at Group level by the legal compliance department;
- ◆ the second level of control involves internal control officers in each entity/métier, working in close collaboration with the legal department, in particular, on the proper application of procedures;
- ◆ the third level of control is operated by the audit and risk management department during audits of the métiers and entities. The implementation of the Group's policies is assessed during this control. The audit and risk management department also conducts audits of the various Group systems.

The second and third levels are described in detail in chapter 4 "Risk factors and management AFR", § 4.3.

In order to roll out compliance programmes effectively, the métiers and entities have the following tools:

- ◆ risk mapping;
- ◆ procedures for entering into business relationships with third parties;
- ◆ procedures for selecting, assessing and managing suppliers and service providers, business intermediaries, agents, distributors and concessionaires;

- ◆ an IT tool for assessing the integrity and reputation of third parties, set up with the help of an external service provider and accessible to all Group entities;
- ◆ analysis grids and questionnaires to assess third party risk levels;
- ◆ a list of “sensitive countries”;
- ◆ a procedure to prevent money laundering;
- ◆ a suppliers’ charter, a business ethics charter for the selling of products and compliance clauses to ensure third parties’ commitment to complying with social, environmental and ethics policies, including anti-corruption regulations;
- ◆ external evaluations/investigations on third-party compliance and integrity risks;
- ◆ rights of access and right to request documentation;
- ◆ the right to conduct internal and external on-site audits and, if necessary, to implement corrective measures.

#### ACCOUNTING CONTROL PROCEDURES

Internal control and risk management procedures relating to the preparation and processing of accounting and financial information, as described in chapter 4 “Risk factors and management AFR”, § 4.3, form an integral part of the general compliance system comprising prevention and anti-corruption and are, in particular, aimed at preventing and detecting any breaches of the Group’s ethics rules. Controls on accounts deemed “more sensitive” in terms of the fight against corruption are regularly strengthened. An accounting control procedure dedicated to the prevention and detection of corruption and influence-peddling has been put in place and controls are carried out regularly.

In 2024, the accounting control system for the prevention and detection of corruption was strengthened by the rollout of a standardised tool within the Group, facilitating their implementation and formalisation.

Furthermore, annual self-assessment campaigns are an important tool when it comes to the process of applying accounting control procedures across all the Group’s entities.

The audit and risk management department monitors the proper application of these procedures during its internal audits.

#### Audit of the application of ethics values by the Group’s partners

Control assessments via external audits on the application of the commitments required from the Group’s partners are carried out regularly with its suppliers and partners. Among other areas, these audits cover compliance with ethics procedures, the fight against corruption, combatting money laundering, the protection of personal data, respect for the environment, respect for human rights and fundamental freedoms, hygiene, health and employee safety. These controls are further detailed in § 2.1.3.2.6.

#### SANCTIONS SYSTEM SET UP

A system of sanctions has been set up for compliance programmes because any breach of ethics and integrity is contrary to the Group’s intrinsic values and internal rules laid down in this area.

In accordance with existing French law, rules of procedure are in place which devote a chapter to disciplinary law and the right of defence.

At international level, depending on applicable local law, there are either rules of procedure, which set out rules on disciplinary matters and which may go as far as dismissal, or an employee handbook is issued to employees on joining, which contains rules on disciplinary law, as well as anti-corruption measures. In the event of a breach of the Group’s ethics rules and compliance programmes, commercial relations with a distributor or supplier may be suspended pending the implementation of corrective actions or be terminated.

#### WHISTLEBLOWING SYSTEM

The whistleblowing system is composed of several channels, including in particular the traditional communication channel (HR/manager) as well as the H-Alert! platform. This system has been designed to enable its employees worldwide, its external and occasional employees and all external stakeholders to report breaches and violations.

With regard to information for Hermès employees, this system is presented in all mandatory training courses dedicated to business conduct and described in § 2.1.4.3.

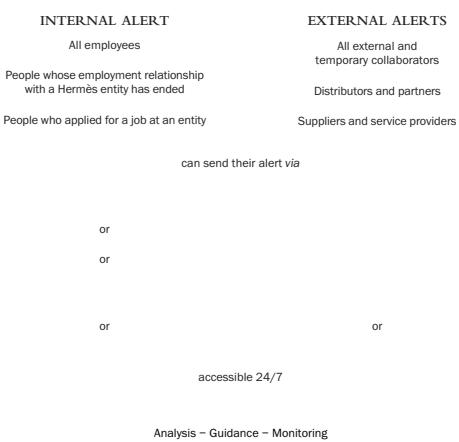
Available seven days a week, 24 hours a day and operated by an external service provider, the H-Alert! whistleblowing platform makes it possible to report facts that may constitute a violation of any law or regulation, or a violation of the Group’s codes, procedures and ethics standards, as well as to report the existence of risks or violations of human rights and fundamental freedoms, the health and safety of people or the environment, resulting from the activities of the Group and/or its subcontractors or suppliers.

The global H-Alert! whistleblowing system was updated in 2022 and 2023 in accordance with French law no. 2022-401 of 21 March 2022 and the decree of 3 October 2022 in order, in particular, to:

- ◆ strengthen the protection of whistleblowers against any form of retaliation; and
- ◆ give suppliers, service providers and distributors, and in general, the Hermès Group’s co-contractors, access to the H-Alert! whistleblowing system.

The H-Alert! whistleblowing system is now accessible to all Group stakeholders, both internal and external, either via the HermèsSphère intranet site or the Hermès Finance website. Available in 21 languages to ensure its proper distribution, the new information notice was the subject of a communication within the Group and its suppliers.

Upon receipt of an alert, an acknowledgement of receipt is systematically sent within seven days of receipt of the alert. The admissibility of alerts is processed within a target of one month and, if the alert is admissible, it is immediately assigned to the entity concerned by the subject reported. Thus, the admissibility of reports on social issues (discrimination, harassment, etc.) is analysed by the human resources department. The admissibility of other reports is determined by the Ethics Committee, described below. Reports relating to social issues are dealt with by the human resources manager or local Director of Human Resources (outside the managerial line against which the alert is made) and its follow-up is shared with the Ethics Committee. Other reports are handled by a person appointed by the Ethics Committee according to their topic (purchasing department, legal department, etc.).



In accordance with the applicable law transposing Directive (EU) 2019/1937 of the European Parliament and of the Council, Hermès has implemented measures to protect whistleblowers. A whistleblower who acts in good faith benefits from protection that may vary depending on applicable laws and any specific local regulations. In France, and more generally in Europe, this protection applies even if the facts prove to be inaccurate or do not lead to any action. In application of this protection, an employee may not be dismissed, sanctioned or discriminated against in any way for having reported incidents in compliance with these conditions. More generally, no retaliation may be taken against him or her. However, any misuse (particularly in the event of slanderous denunciation, defamation or insult) of the H-Alert! whistleblowing system may expose the perpetrator to disciplinary sanctions and, where applicable, civil and/or criminal sanctions. Conversely, the good faith use of the H-Alert! whistleblowing system shall not expose its author to any disciplinary sanction. No data identifying the author of the alert may be disclosed to third parties without his or her consent. However, in cases where the Hermès entity responsible for collecting and processing the alerts is required to report the facts to the judicial authority, the identity of the person who made the alert may be disclosed (the person who made the alert will be informed in writing, unless this information is

likely to compromise legal proceedings). In the context of this H-Alert! whistleblowing system, persons who may be involved in the processing of the reports made are not considered as third parties.

The protection applicable to whistleblowers who choose to report an alert may also be extended to other persons in accordance with applicable legal provisions. For information purposes, the following persons benefit from protection under French law:

- ◆ facilitators (any natural person or legal entity governed by non-profit private law, who helps the whistleblower to report);
- ◆ natural persons linked to the person who made the alert (i.e. all those who might be subject to reprisals in the course of their professional activities by the employer, their client or the recipient of their services); and
- ◆ legal entities controlled by the whistleblower (for which the whistleblower works or with which he or she has dealings in a professional context).

To illustrate this, in terms of whistleblower protection, the Group has introduced effective measures guaranteeing the confidentiality of information and processing of reports at all times, such as the prohibiting of retaliatory measures against whistleblowers. Where appropriate, following an investigation, disciplinary sanctions may be decided upon and implemented against employees who violate the Group's ethics rules, which may go as far as dismissal. Contracts and commercial relationships (with suppliers or business partners) may also be terminated in the event of serious breaches of the Group's ethics rules.

Thus, in 2024, 211 alerts were received through the whistleblowing system (compared with 105 alerts received in 2023). This increase reflects a process that is now well-known and efficient, but also the opening up of this system to all the Group's external partners.

- ◆ 100% of the alerts received in the financial year resulted in follow-up. Hermès carried out the internal investigations necessary to process said alerts.
- ◆ All parties involved in the processing of alerts were mobilised and involved throughout the processing of the incidents.

To ensure that this whistleblowing system is properly used by external stakeholders, a dedicated section is included in the Supplier Code of Conduct updated and rolled out in early 2024. Specific communication aimed at suppliers and service providers has also been put in place.

The Hermès Group has an internal procedure governing the management of alerts. The principles of this procedure are shared with whistleblowers via the communication of the whistleblowing notice (available on the H-Alert! platform). The terms and timeframes applicable to the system are described in the said information notice.

Depending on the reports and in order to guarantee the independence of the persons in charge of managing whistleblowing reports, the Ethics Committee may:

- ◆ delegate the processing of the alert to a member or department of the Hermès entity concerned; or
- ◆ process the alert directly and/or delegate it to a competent third party.

To strengthen the independence of the people responsible for handling alerts, investigations are conducted separately from the management line against which the alert is made.

Always in accordance with applicable local rules, the House may also use third parties, such as lawyers, to conduct these investigations.

Hermès has procedures in place to promptly, independently and objectively investigate incidents related to business conduct, including incidents of corruption and bribery.

#### 1. Acknowledgement of receipt of the alert

In the days following receipt of the alert, a written and dated acknowledgement of receipt will be sent by any means (*via* the platform, by e-mail or by post depending on the channel and the information communicated). However, acknowledgement of receipt does not necessarily constitute admissibility of your alert.

#### 2. Admissibility of the alert

The admissibility of alerts is analysed according to the following criteria:

- ◆ the alert concerns a situation falling within the scope of the H-Alert! whistleblowing system (see § 2.1.3.1.5);
- ◆ the information provided by the person making the alert is sufficient to characterise the situation and makes it possible to identify the person(s) potentially targeted by the alert.

Where appropriate, the authors of inadmissible alerts will be informed of the inadmissibility of their alert and the reasons for this inadmissibility.

The admissibility of alerts is processed within a maximum of one month.

#### 3. Processing of the alert

Depending on the alerts, the Ethics Committee may:

- ◆ delegate the processing of the alert to a member or department of the Hermès entity concerned, the outcome of which will be monitored by the Ethics Committee; or
- ◆ process the alert directly with the help of competent persons from the Hermès entity or an external person.

The time required to process an alert varies depending on its complexity and the research and verification procedures to be undertaken in this context.

In any event, the whistleblower shall be informed within three months of the acknowledgement of receipt of the alert, of the measures planned or which have already been taken to assess the accuracy of the allegations and, where appropriate, remedy the subject of the alert.

At the end of the processing of the alert, the person responsible for processing it will inform the author of the alert of the conclusion of the processing and, if applicable, the measures taken.

#### **Animal welfare policy**

Hermès has set up a strict and ambitious policy in terms of animal welfare for all the animal supply chains concerned, both within its direct sphere of responsibility and for its external partners. Formalised in 2021, then updated in 2023, this policy, and all the concrete objectives it sets, have been shared with Hermès' suppliers and partners. It is published on the Group's website<sup>(1)</sup> and is part of a process of continuous improvement of practices. In this respect, the update in 2023 aims to better take into account the latest scientific and operational advances. Hermès' Animal Welfare policy is based on the following principles:

- ◆ a commitment to the fundamental principles of animal welfare (i.e. "the five freedoms<sup>(2)</sup>" defined by the FAWC<sup>(3)</sup>), based on the most recent observations and knowledge of scientists and university experts on the subject according to the species. In order to ensure proper animal welfare, Hermès' approach now focuses on the observation of animals and their behaviour. This therefore means an obligation of results (outcome-based) to be compared with more traditional approaches, which are limited solely to a material analysis of resources, without taking the animal into account;
- ◆ adoption of the "One Welfare" concept. This holistic approach recognises interdependency links between animal welfare, human well-being and the environment, and promotes an interdisciplinary approach;
- ◆ a multi-stakeholder collaboration to ensure that the results obtained on animal welfare correspond to the expectations and analyses of a wide range of stakeholders, including several international and national associations (NGOs) involved in the Group's issues;
- ◆ a formal governance framework: created in 2019, the Animal Welfare Committee brings together members of Group Management, the purchasing departments of the various métiers, the technical and sustainable development departments. An independent expert, a specialist in animal welfare, is also a member of this committee, which meets regularly to monitor the strategy, validate the policy and standards, measure the progress made and ensure that the resources made available are adequate;
- ◆ implementation of strict standards detailing best practices, specific to each supply chain, covering, depending on the species, a broad range of areas such as farming and slaughtering practices, transportation, traceability, employee working conditions and training, the environmental performance of farms and their safety, the protection of biodiversity, conservation of species and assistance to communities and populations;
- ◆ a monitoring system adapted to each sector allowing progression of best practices by conducting regular internal, or external, controls and audits in the supply chains.

1. <https://finance.hermes.com/en/publications/>

2. *Absence of hunger, thirst and malnutrition, absence of physical or thermal discomfort, absence of pain, injury or disease, ability to express normal behavioural patterns, absence of fear or distress.*

3. Renamed the Animal Welfare Committee (AWC) in 2019.

An animal welfare roadmap has been adopted for each species concerned by the sale of products, in all of the Group's métiers, and the House is working with its suppliers to draft operational roadmaps.

#### Training programmes on ethics issues

The people identified as being most exposed to the risk of corruption and bribery are Hermès employees with spending commitment powers and/or links with third parties.

Within the Group, several training courses on ethics issues (face-to-face or remotely) are provided to employees, regardless of their type of contract (fixed-term, permanent, temporary or intern employment contracts). Depending on the subject, they may be designed by the legal department or the human resources department, with the help of internal control.

The information expected relating to the percentage of at-risk functions covered by training programmes was not available at the date on which Hermès International published its Sustainability report. The Group confirms that it has exercised due diligence in producing this information and should be in a position to produce this information in the coming years.

In view of the governance put in place in terms of business ethics and the commitments adopted by the Group, the members of the administrative, management and governance bodies are made aware of these topics. An update on the status of the prevention and fight against corruption programme was presented to the Group Audit and Risk Committee in November 2024.

Moreover, a mandatory online training module dedicated to ethics and the fight against corruption has been rolled out since 2020 to all employees worldwide, as well as external and temporary employees. It uses practical scenarios to give them the keys to preventing risks of corruption and breaches of ethics. This e-learning system includes a comprehension and simulation exercise, for which a minimum score must be achieved, to ensure that employees have fully understood the risks of corruption and how to manage them. This e-learning module is mandatory for people considered to be exposed to the risk of corruption in accordance with the Group's corruption risk mapping.

Furthermore, specific training modules on the Group's ethics and anti-corruption policy, the contents of which are adapted to the teams, subsidiaries and métiers in question, are delivered by the legal department to those employees who are most exposed to the risks of corruption, as identified and prioritised in the Group

corruption risk mapping. They may in particular be buyers, people in charge of internal control or members of management committees. They aim to provide employees with the knowledge and tools needed to prevent and detect at-risk situations and to determine the behaviour to be adopted. They are also an opportunity to set out all internal procedures relating, for example, to gifts and invitations, conflicts of interest, accounting control and the third-party assessment system.

More specifically, the internal control officers are trained and take part in Group training sessions in order to promote an awareness of risk management and internal control best practices amongst the management.

Activities focusing on ethics and compliance issues continued this year thanks to the organisation of three seminars by the audit and risk management department for internal controllers worldwide.

The "Ethics, Integrity and Anti-Corruption" (EIAC) training course, the content of which was updated in 2024, is intended for all sales staff in the stores within the Group's entities. Its purpose is to explain the risks of corruption to sales staff. They learn about different forms of corruption and how to effectively combat these risks in their daily tasks. Lastly, they are reminded about the tools and procedures they can use in case of doubt. Attendance at these training sessions is monitored. This module is regularly delivered in all subsidiaries worldwide. The objective is to train all distribution subsidiary employees, whether their employment contract is fixed-term, permanent, temporary or as an intern, and whatever their role (*i.e.* members of the Management Committee, support staff, sales associates, stockists, cashiers, managers). This training must be renewed every two years.

The roll-out of all training sessions on ethics issues is closely monitored by the legal compliance department, in collaboration with internal control and human resources.

Lastly, the themes relating to the fight against corruption are also addressed as part of the policies and training courses put in place within the Group to combat counterfeiting and the parallel market.

#### Legal requirements for the protection of whistleblowers

The Hermès Group is subject to legal requirements under the national law transposing Directive (EU) 2019/1937, or equivalent legal requirements for the protection of whistleblowers, and may discharge the publication requirements referred to in paragraph 10 (d).

### 2.1.4.3 Prevention and detection of corruption and bribery (G1-3)

#### Policy on preventing and combatting corruption

##### ANTI-CORRUPTION CODE OF CONDUCT

As mentioned in § 2.1.4.2, the Hermès Group has an anti-corruption policy (described below) formalised through an anti-corruption code of conduct, set up in 2018 based on the results of the mapping of the Group's corruption risks, and which is distributed in several languages. This code of conduct was validated by the Group's governing bodies and communicated to all Group entities and structures. It has been issued and applies to all Group employees.

*This anti-corruption code of conduct is in line with the commitments taken by the Hermès Group in the area of ethics and integrity. It sets forth the personal commitment of the Hermès Group's Senior Executives and forms an integral part of the values and principles that unite all Hermès Group employees.*

Axel Dumas – Executive Chairman

The anti-corruption code of conduct is available on the Hermès finance institutional website<sup>(1)</sup>.

It describes rules on gifts and invitations, relations with third parties and public officials, the ban on facilitation payments, management of conflicts of interest, patronage and sponsorship, representation of interests, etc.

The opportunity to update the anti-corruption code of conduct is reassessed each year by the Compliance and Vigilance Committee.

Corruption is in contradiction with the values of the Hermès Group. The Group has a two-fold requirement: zero tolerance for breaches of probity on the one hand, and a determined commitment to a culture of ethics, on the other.

The Group's policies in terms of ethics and the fight against corruption are clearly set out in the code of business conduct, available on the Group intranet as well on the Hermès Finance institutional website<sup>(1)</sup>.

### 2.1.4.4 Confirmed incidents of corruption or bribery (G1-4)

	Comparative year N-1	Year N	Change (in %)
Amount of fines for violation of anti-corruption laws	€0	€0	0%

Given the absence of breaches in procedures and standards of anti-corruption and bribery during 2024, no particular remedial action was undertaken.

1. <https://finance.hermes.com/en/publications/>

#### 2.1.4.5 Management of relationships with suppliers (G1-2) and payment practices (G1-6)

In order to support the cash flow of their partners, the Hermès Group policy provides that the French subsidiaries pay their supplier invoices as soon as they are approved, without necessarily waiting for the contractual deadline.

This Group policy applies to all suppliers regardless of their size, whether large companies, mid-sized companies or SMEs.

The average time for the payment of suppliers regardless of their size, whether large companies, mid-sized companies or SMEs for all Group companies was 27 days in 2024.

Hermès does not publish the percentages of late payments by suppliers because they are not significant and there are no legal proceedings.

As at 31 December 2024, there were no ongoing legal proceedings relating to late payments.

#### Methodology

The methodology used to calculate the reference payment terms is based on the legal terms by country. In order to meet payment deadlines, a reminder system is put in place to ensure that invoices are recorded and checked before their due date. Reports are available to all subsidiaries to ensure that payment deadlines are met.

#### Policies related to social and environmental issues

Hermès has adopted a supplier relations policy based on the principles of sustainability, trust and high standards. The Company is committed to maintaining balanced and lasting relationships with its partners, excluding any aggressive or unfair practices, and ensuring compliance with ethical practices, the preservation of the environment and respect for human rights in its value chain. Details of the policies and actions undertaken to better control the risks and impacts related to its suppliers, as well as the social and environmental issues of its value chain are described in detail in § 2.1.3.2.3 and § 2.1.3.2.6.

## Disclaimer

This document contains certain statements and other information that constitute forward-looking statements within the meaning of applicable securities laws. These forward-looking statements are not historical data and should not be construed as guarantees that the facts and data stated will occur. These forward-looking statements are sometimes identified by the use of the future or conditional or forward-looking terms such as "consider", "aim", "envise", "think", "target", "expect to", "understand", "must", "strive", "estimate", "believe", "wish", "may" or, where applicable, the negative form of these same terms, or any other variant or similar terminology. These forward-looking statements are subject to numerous risks and uncertainties, which are difficult to predict, generally outside the control of the Hermès Group or are even unknown, and which are liable to lead to results or events that are significantly different from those expressed, implied or anticipated by such forward-looking statements.

Given the significant uncertainties inherent in these forward-looking statements, they should not be considered as an affirmation or guarantee, by the Hermès Group or any other person, that the Hermès Group will achieve its goals, objectives, aspirations, indicators, plans or targets within a given timeframe, or that it will achieve them at all, and in particular with regard to sustainability issues. In addition, it is not excluded that certain statements relating to sustainability issues, whether concerning the past, present or future, may be based on standards still being developed, on internal controls and processes that are continuing to evolve, or on assumptions that may change in the future.

In this respect, it is specified that chapter 2 of this document has been prepared in accordance with the regime imposed by European Directive 2022/2464/EU concerning the publication of information on sustainability by companies (the "CSRD"). This document uses certain specific terms that may lead to the classification of certain information or data points as "material" or "significant" in order to reflect certain specific impacts, risks or opportunities or other matters identified as "material" or "significant" for the Hermès Group or its stakeholders in accordance with these initiatives or standards. However, as used in this report, these terms are distinct from, and should not be confused with, such terms as they are defined or interpreted under various laws and regulations relating to securities and other matters, and in particular with regard to Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, or in the context of financial statements. In particular, for the purposes of the CSRD, these terms are used as part of the concept of double materiality analysis, a concept that applies, for the purposes of the CSRD, a specific standard and regime that are completely distinct from the materiality concepts referred to in other applicable laws and regulations.

The forward-looking statements contained in this document are valid only as at the date of their publication; the Hermès Group makes no commitment to update or revise forward-looking information or statements.

## 2.2 REPORT ON THE CERTIFICATION OF SUSTAINABILITY INFORMATION

### Report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852

(For the year ended 31 December 2024)

*This is a translation into English of the statutory auditor's report on the certification of sustainability information and verification of the disclosure requirements under Article 8 of Regulation (EU) 2020/852 of the Company issued in French and it is provided solely for the convenience of English speaking users.*

*This report should be read in conjunction with, and construed in accordance with, French law and the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".*

To the Shareholders,

This report is issued in our capacity as statutory auditor of Hermès International. It covers the sustainability information and the information required by Article 8 of Regulation (EU) 2020/852, relating to the year ended December 31, 2024 and included in section 2.1 «Sustainability information» in the group management report.

Pursuant to Article L. 233-28-4 of the French Commercial Code, Hermès International is required to include the above mentioned information in a separate section of the group management report. This information has been prepared in the context of the first time application of the aforementioned articles, a context characterized by uncertainties regarding the interpretation of the laws and regulations, the use of significant estimates, the absence of established practices and frameworks in particular for the double-materiality assessment, and an evolving internal control system. It enables to understand the impact of the activity of the group on sustainability matters, as well as the way in which these matters influence the development of the business of the group, its performance and position. Sustainability matters include environmental, social and corporate governance matters.

Pursuant to Article L.821-54 paragraph II of the aforementioned Code our responsibility is to carry out the procedures necessary to issue a conclusion, expressing limited assurance, on:

- ◆ compliance with the sustainability reporting standards adopted pursuant to Article 29 ter of Directive (EU) 2013/34 of the European Parliament and of the Council of 14 December 2022 (hereinafter ESRS for *European Sustainability Reporting Standards*) of the process implemented by Hermès International to determine the information reported, and compliance with the requirement to consult the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code;
- ◆ compliance of the sustainability information included in section 2.1 "Sustainability information" of the group management report with the requirements of L. 233-28-4 of the French Commercial Code, including ESRS; and
- ◆ compliance with the reporting requirements set out in Article 8 of Regulation (EU) 2020/852.

This engagement is carried out in compliance with the ethical rules, including independence, and quality control rules prescribed by the French Commercial Code.

It is also governed by the H2A guidelines on "Limited assurance engagement - Certification of sustainability reporting and verification of disclosure requirements set out in Article 8 of Regulation (EU) 2020/852".

In the three separate sections of the report that follow, we present, for each of the sections of our engagement, the nature of the procedures that we carried out, the conclusions that we drew from these procedures and, in support of these conclusions, the elements to which we paid particular attention and the procedures that we carried out with regard to these elements. We draw your attention to the fact that we do not express a conclusion on any of these elements taken individually and that the procedures described should be considered in the overall context of the formation of the conclusions issued in respect of each of the three sections of our engagement.

Finally, where deemed necessary to draw your attention to one or more disclosures of sustainability information provided by Hermès in the group management report, we have included an emphasis of matter paragraph hereafter.

### Limits of our engagement

As the purpose of our engagement is to express limited assurance, the nature (choice of techniques), extent (scope) and timing of the procedures are less than those required to obtain reasonable assurance.

Furthermore, this engagement does not provide guarantee regarding the viability or the quality of the management of Hermès International, in particular it does not provide an assessment, of the relevance of the choices made by Hermès International in terms of action plans, targets, policies, scenario analyses and transition plans, which would go beyond compliance with the ESRS reporting requirements.

It does, however, allow us to express conclusions regarding the entity's process for determining the sustainability information to be reported, the sustainability information itself, and the information reported pursuant to Article 8 of Regulation (EU) 2020/852, as to the absence of identification or, on the contrary, the identification of errors, omissions or inconsistencies of such importance that they would be likely to influence the decisions that readers of the information subject to this engagement might make.

Any comparative information that would be included in the group management report are not covered by our engagement.

## COMPLIANCE WITH THE ESRS OF THE PROCESS IMPLEMENTED BY HERMÈS INTERNATIONAL TO DETERMINE THE INFORMATION REPORTED, AND COMPLIANCE WITH THE REQUIREMENT TO CONSULT THE SOCIAL AND ECONOMIC COMMITTEE PROVIDED FOR IN THE SIXTH PARAGRAPH OF ARTICLE L. 2312-17 OF THE FRENCH LABOUR CODE

2

### Nature of procedures carried out

Our procedures consisted in verifying that:

- ◆ the process defined and implemented by Hermès International has enabled it, in accordance with the ESRS, to identify and assess its impacts, risks and opportunities related to sustainability matters, and to identify the material impacts, risks and opportunities, that lead to the publication of information disclosed in section 2.1 «Sustainability information» of the group management report, and
- ◆ the information provided on this process also complies with the ESRS.

We also checked the compliance with the requirement to consult the social and economic committee.

### Conclusion of the procedures carried out

On the basis of the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies regarding the compliance of the process implemented by Hermès International with the ESRS.

Concerning the consultation of the social and economic committee provided for in the sixth paragraph of Article L. 2312-17 of the French Labour Code we inform you that as of the date of this report, this consultation has not yet been held.

### Elements that received particular attention

We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance with the ESRS of the process implemented by Hermès International to determine the information reported.

#### Concerning the identification of stakeholders

Information on the identification of stakeholders is set out in section 2.1.1.5.3 "Interests and views of stakeholders (SBM-2)" of the group management report.

We interviewed management and others within the entity as appropriate and inspected available documentation. Our work consisted primarily of assessing the consistency of the primary stakeholders identified by the group in view of the nature of its activities and its geographical location, taking into account its business relationships and value chain. We exercised professional scepticism in assessing the representative nature of the stakeholders identified by the group.

#### Concerning the identification of impacts, risks and opportunities

Information on the identification of impacts, risks and opportunities is provided in section 2.1.1.6 "Process for identifying material impacts, risks and opportunities (IRO-1) and their interaction with strategy and business model (SBM-3)" of the group management report.

We obtained an understanding of the process implemented by the entity to identify actual or potential impacts – both negative and positive – risks and opportunities (IROs), in relation to the sustainability matters mentioned in paragraph AR 16 of ESRS 1, "Application requirements", and where applicable, those specific to the entity, as presented in note 2.1.1.6 "Process for identifying material impacts, risks and opportunities (IRO-1) and their interaction with strategy and business model (SBM-3)" of the group management report.

We obtained an understanding of the group's mapping of identified IROs, including a description of their distribution within the group's own operations and its value chain, as well as their time horizon (short, medium or long term), and assessed the consistency of this mapping with our knowledge of the group.

In performing our procedures, we:

- ◆ assessed how the entity has taken into account the list of sustainability matters set out in ESRS 1 (AR 16) in its analysis;
- ◆ assessed whether the entity has taken into account its dependence on natural, human and/or social resources in identifying risks and opportunities.

#### **Concerning the assessment of impact materiality and financial materiality**

Information on the assessment of impact materiality and financial materiality is provided in section 2.1.1.6.2 "IRO materiality assessment" of the group management report.

Through interviews with management and inspection of available documentation, we obtained an understanding of the process implemented by the entity to assess impact materiality and financial materiality, and assessed its compliance with the criteria defined in ESRS 1.

In particular, we assessed the way in which the entity established and applied the materiality criteria defined in ESRS 1, including those relating to the setting of thresholds, in order to determine the following material information reported metrics relating to material IROs identified in accordance with the relevant ESRS standards.

### **COMPLIANCE OF THE SUSTAINABILITY INFORMATION INCLUDED IN SECTION 2.1 "SUSTAINABILITY INFORMATION" OF THE GROUP MANAGEMENT REPORT WITH THE REQUIREMENTS OF ARTICLE L.233-28-4 OF THE FRENCH COMMERCIAL CODE, INCLUDING THE ESRS**

#### **Nature of procedures carried out**

Our procedures consisted in verifying that, in accordance with legal and regulatory requirements, including the ESRS:

- ◆ the disclosures provided enable an understanding of the general basis for the preparation and governance of the sustainability information included in section 2.1 "Sustainability information" of the group management report, including the basis for determining the information relating to the value chain and the exemptions from disclosures used;
- ◆ the presentation of this information ensures its readability and understandability;
- ◆ the scope chosen by Hermès International for providing this information is appropriate; and
- ◆ on the basis of a selection, based on our analysis of the risks of non-compliance of the information provided and the expectations of users, that this information does not contain any material errors, omissions or inconsistencies, i.e. that are likely to influence the judgement or decisions of users of this information.

#### **Conclusion of the procedures carried out**

Based on the procedures we have carried out, we have not identified material errors, omissions or inconsistencies regarding the compliance of the sustainability information included in section 2.1 "Sustainability information" of the group management report, with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

#### **Emphasis of matter**

Without qualifying the conclusion expressed above, we draw your attention to the information provided in paragraphs "Value chain estimates and sources of uncertainty associated with estimates and results" and "Elements of progressivity" of the section 2.1.1.1 "Reporting basis (BP-1 and BP-2)" in the group management report which outline, in the context of the first application of CSRD, the methodological choices, environmental data estimates, and progressive elements regarding the missing information or the information to be completed in the future years.

#### **Elements that received particular attention**

We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance of sustainability information included in section 2.1 "Sustainability information" of the group management report, with the requirements of Article L.233-28-4 of the French Commercial Code, including the ESRS.

#### Information provided in application of environmental standards (ESRS E1 to E5)

Information reported in relation to greenhouse gas (GHG) emissions and Transition plan for climate change mitigation are respectively mentioned in sections 2.1.2.1.9 "Gross scopes 1, 2, 3 and total GHG emissions (E1-6)" and 2.1.2.1.2 "Transition plan for climate change mitigation (E1-1)" of the group management report.

We set out below the elements that have been the subject of particular attention in relation to our assessment of the compliance of this information with the ESRS.

- ◆ With regard to the information published on the greenhouse gas (GHG) emissions:
  - we obtained an understanding of the internal control and risk management procedures implemented by the entity to ensure the compliance of the reported information with ESRS requirements;
  - we obtained an understanding of the greenhouse gas emissions inventory protocol used by the entity to draw up its greenhouse gas emissions assessment, and checked its application, for a selection of emissions categories and sites, for Scope 1 and Scope 2.
  - with regard to Scope 3 emissions, we assessed the process of gathering information on which disclosures were based,
  - we assessed the appropriateness of the emission factors used and the calculation of the related conversions, as well as the calculation and extrapolation assumptions, taking into account the uncertainty inherent in the state of scientific or economic knowledge and the quality of the external data;
  - we reconciled physical data (such as energy consumption), on a sample basis, to the underlying data used to draw up the greenhouse gas emissions assessment and traced to supporting documents;
  - with regard to the estimates that we considered to be critical, used by the entity to prepare its greenhouse gas emissions assessment, through interviews with management, we obtained an understanding of the method used to calculate the estimate and the information sources on which the estimates were based;
  - we verified the accuracy of the calculations used to prepare this information.
- ◆ With regard to our procedures regarding the transition plan for climate change mitigation our work primarily consisted of assessing whether the information published in the transition plan meets ESRS E1 requirements with an appropriate description of the plan's underlying key assumptions, it being understood that we are not required to express a conclusion on the appropriateness or the level of ambition of the transition plan's objectives.

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#### COMPLIANCE WITH THE REPORTING REQUIREMENTS SET OUT IN ARTICLE 8 OF REGULATION (EU) 2020/852

##### Nature of procedures carried out

Our procedures consisted in verifying the process implemented by Hermès International to determine the eligible and aligned nature of the activities of the entities included in the consolidation.

They also involved verifying the information reported pursuant to Article 8 of Regulation (EU) 2020/852, which involves checking:

- ◆ the compliance with the rules applicable to the presentation of this information to ensure that it is readable and understandable;
- ◆ on the basis of a selection, the absence of material errors, omissions or inconsistencies in the information provided, i.e. information likely to influence the judgement or decisions of users of this information.

##### Conclusion of the procedures carried out

Based on the procedures we have carried out, we have not identified any material errors, omissions or inconsistencies relating to compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

##### Elements that received particular attention

We set out below the elements that have been the subject of particular attention in relation to our assessment of compliance with the requirements of Article 8 of Regulation (EU) 2020/852.

##### Concerning the alignment of eligible activities

Information on the alignment of activities is set out in section 2.1.2.6 "Taxonomy" of the group management report.

Our procedures primarily consisted of inspecting, on a sample basis, the documentary sources used, including external sources where appropriate, and conducting interviews with the appropriate persons in the group to assess the compliance with alignment requirements for CapEx.

**Key performance indicators and accompanying information**

The key performance indicators and accompanying information are set out in section 2.1.2.6 “Taxonomy” of the group management report.

With regard to total turnover, CapEx and OpEx (the denominators) presented in the regulatory tables, we verified the group's reconciliations with the accounting data used to prepare the financial statements.

With regard to the other amounts making up the various indicators of eligible and/or aligned activities (the numerators), we assessed these amounts based on a selection of activities, operations or projects that we determined to be representative, based on the activity to which they relate and their contribution to the indicators.

Neuilly-sur-Seine, March 18<sup>th</sup> 2025,

The statutory auditor

PricewaterhouseCoopers Audit

*French original signed by*

*Amélie Wattel*

## 2.3 DUTY OF CARE

In accordance with French law no. 2017-399 of 27 March 2017 relating to the duty of care of parent companies and contractors, the Group has drawn up a vigilance plan to identify risks and prevent serious violations of human rights and fundamental freedoms, and the health and safety of people and the environment, resulting from its activities as well as the activities of its subcontractors and suppliers.

Since 2023, the Group published its vigilance plan in a stand-alone document, accessible on its institutional website.<sup>(1)</sup> The measures required by the duty of care are presented in detail there. They are summarised below.

### 2.3.1 GOVERNANCE

The Compliance and Vigilance Committee oversees the vigilance plan. It meets quarterly in order to:

- define compliance guidelines;
- recommend preventive actions;
- manage and roll out employee awareness and training campaigns;
- monitor the entire vigilance plan.

Hermès also called on several stakeholders – suppliers, employee representatives, associations and universities – as part of the preparation of its vigilance plan, with the support of an independent

firm. For its update, stakeholders were again questioned, to follow up on the weak signals identified and integrate the societal issues that had emerged over the period.

### 2.3.2 RISK MAPPING AND ASSESSMENT METHODOLOGY

In order to identify and assess risks throughout its value chain and to strengthen its mapping of risks related to the duty of care, Hermès has used the analysis of non-financial risks, the double materiality analysis and the risk mapping generated for its activities and supply chains. In addition, the risk mapping was developed in association with internal and external stakeholders.

In particular, the Compliance and Vigilance Committee:

- defined a universe of risks specific to Hermès;
- deepened the analysis of risks in certain scopes assessed as priorities;
- added a source of raw risk data.

**The Group's vigilance plan was constructed by analysing its entire value chain as presented in section §2.1.1.5.2.**

This analysis enabled the Group to draw up the following mapping of risks related to the duty of care.

#### 2024 RISK MAPPING RELATED TO THE DUTY OF CARE

##### GLOBAL RISK MAPPING

*Assessment of risks according to their net criticality: impact x probability x level of control*



1. Available on [finance.hermes.com](http://finance.hermes.com)

### 2.3.3 WITHIN HERMÈS

#### Human rights and fundamental freedoms

The level of risk of serious human rights violations is relatively low in Hermès' activities, on its sites. The Group's sustainable development is based on the fulfilment and well-being of its teams, as part of a corporate project that places people at the heart of its values since 1837. Hermès contributes to respect for human rights through its proactive actions in terms of ethics, diversity, employee equality, consideration of disability and, in general, respect for human rights.

#### Health and safety

The sustainability of the House rests on the women and men who contribute in a harmonious and positive manner to its functioning and development. For this reason, the Group is very demanding in terms of working conditions: everyone can express their potential safely, in a pleasant environment, whether on production sites, in stores or offices. Thus, for example, any investment in health and safety within a manufacturing site is a priority.

#### Environmental protection

The Group's sustainable and responsible development involves knowing, controlling and reducing its environmental impacts, as part of a responsible approach. More broadly, Hermès contributes, through its commitments and actions, to the fight against climate change and the preservation of biodiversity.

### 2.3.4 IN THE VALUE CHAIN

#### Human rights related to affected communities

The House is concerned with the protection and promotion of human rights within its value chain wherever it operates. The level of risk of serious human rights violations is relatively low in Hermès' activities, including given the geography of its production operations (mainly Europe). Its commitments to comply with the OECD principles, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights and the ILO fundamental conventions are the documents underpinning the human rights policy set out in the vigilance plan updated annually.

#### Direct purchases

The Hermès craftsmanship model, with 74% of objects made in France, relies on a network of suppliers based mainly in Europe, where labour and environmental practices are some of the strictest and are monitored frequently due to the close operating proximity. In addition, Hermès builds balanced partnerships with its direct suppliers, according to its principle of transparency, high standards and fairness.

The risk exposure to its direct suppliers is therefore reduced for Hermès. In order to secure the use of its exceptional raw materials, Hermès is also committed, as part of the sustainable development of its supply chains, to exceeding compliance with regulations in social, environmental and ethics areas, as well as animal welfare.

#### Indirect purchases

The indirect purchasing department coordinates a network of dedicated buyers in the support functions in each country and métier managers for categories such as real estate, general services, communications, IT and intellectual services.

The indirect purchasing department, supported by a community of buyers in France and international contacts, implements a procedure to control the risks of its various partners. This includes a mapping of CSR risks by purchasing family and, if necessary, by supplier, including social issues, triggering the assessment via a third-party tool and an audit.

#### Concessionaire partners

Hermès works with concessionaire partners in France and abroad for its distribution.

Hermès' relationships with them are long-standing relationships based on the trust acquired over the years.

The few recent partners concern travel retail stores. These are major structures, leaders in their market, whose requirements in terms of respect for human rights and fundamental freedoms, health and safety and environmental protection are in line with those of the Group.

**SUMMARY OF THE APPLICATION OF THE LAW ON THE DUTY OF CARE IN THE VALUE CHAIN – REFERENCES ARE TO THE VIGILANCE PLAN**

	<b>Suppliers and subcontractors</b>	<b>Human rights and fundamental freedoms</b>	<b>Health and safety</b>	<b>Environment</b>
Risk mapping	Risk mapping and assessment methodology (chapter 2 – Vigilance plan framework) Mapping by theme in the chapters in question			
Regular assessment procedures	Chapter 6 – Direct purchases and Chapter 7 – Indirect purchases	Chapter 3 – Human rights and fundamental freedoms Chapter 6 - Direct purchases and Chapter 7 – Indirect purchases	Chapter 4 – Health and safety, Chapter 6 – Direct purchases and Chapter 7 – Indirect purchases	Chapter 5 – Environmental protection
Mitigation and prevention measures	Transversal actions, chapters 3 to 8			
Measuring and monitoring system	Transversal actions, chapters 3 to 8			
Alert mechanism	Chapter 9 – Alert collection and processing system			

2

### 2.3.5 WHISTLEBLOWING SYSTEM

In 2019, the Group set up a platform as part of its global H-Alert! whistleblowing system (Procedures described in § 2.1.4.2), intended for its employees worldwide and for external and temporary employees.

- ◆ continued rollout of human rights training for buyers (see § 2.1.3.2.6);
- ◆ raising awareness among suppliers and partners of ethics and social issues;
- ◆ strengthening of the vigilance system as part of a continuous improvement approach;
- ◆ continuing communication and training on the update of the whistleblowing system;
- ◆ active monitoring of new European and international regulations.

### 2.3.6 SUMMARY & OUTLOOK

In 2025, Hermès will continue to strengthen the vigilance programme through the following actions:

- ◆ rollout of the Supplier code of conduct;

## 2.4 CROSS-REFERENCE TABLES AND ADDITIONAL INFORMATION

### 2.4.1 CROSS-REFERENCE TABLES

#### 2.4.1.1 HERMÈS' CONTRIBUTION TO THE UN SUSTAINABLE DEVELOPMENT GOALS



##### No. 3: Good health and well-being

- 3.d** Strengthen the capacity of all countries, in particular developing countries, for early warning, risk reduction and management of national and global health risks.
- 3.8** Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

##### Hermès' main contributions in 2024

**100%**  
of employees worldwide covered  
by the health management system

Employee turnover rate:  
**6%**



##### No. 4: Quality education

- 4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.
- 4.7** By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture's contribution to sustainable development.

##### Hermès' main contributions in 2024

**3 days**  
of training per employee

**Nearly 700**  
learners supported and trained in the Leather Goods métiers thanks to the École Hermès des Savoir-Faire.  
3 new EHSF schools opened in France for a total of 10

Creation  
of the **Hermès Sustainability Academy**



##### No. 5 Gender equality

- 5.1** End all forms of discrimination against women and girls everywhere.
- 5.5** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

##### Hermès' main contributions in 2024

**68%**  
women at Hermès and  
**48%**  
at top management level

Gender pay gap  
**< 3%**



#### No. 6: Clean water and sanitation

- 6.4** By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

Hermès' main contributions in 2024

**65.4%**  
decrease in water withdrawals  
over 10 years

**100%**  
of its tanneries  
(the industrial sites that consume the most water  
in its operations) are equipped with their  
own water treatment plants

2



#### No. 7: Affordable and clean energy

- 7.2** By 2030, increase substantially the share of renewable energy in the global energy mix.

- 7.3** By 2030, double the global rate of improvement in energy efficiency.

Hermès' main contributions in 2024

**71%**  
of the Group's energy consumption  
is of renewable origin  
(+2.6 points compared to 2023)

Energy intensity  
**15.4 MWh/€M revenue**

2



#### No. 8 : Decent work and economic growth

- 8.3** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.

- 8.5** By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

- 8.6** By 2020, substantially reduce the proportion of youth not in employment, education or training.

Hermès' main contributions in 2024

**19 years:**  
average length of relationship  
with the top 50 direct purchasing suppliers

**2,306 jobs**  
created worldwide

**Grand Prix Emploi 2024**  
awarded by Humpact



### No. 10: Reduced inequalities

- 10.2** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.
- 10.3** Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard.
- 10.4** Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

Hermès' main contributions in 2024

**Humpact prize 2024**  
people with disabilities category

**Approximately €45 million**

in social value-added purchases  
(supported employment sector, social  
and solidarity economy), in France

**7.1%**

of employees in France with disabilities in 2024  
(above the legal minimum)



### No. 11: Sustainable cities and communities

- 11.a** Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning.
- 11.3** By 2030, enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management in all countries.
- 11.4** Strengthen efforts to protect and safeguard the world's cultural and natural heritage.

Hermès' main contributions in 2024

**75**  
production sites  
of which 60 in France

**Nearly 1,300**  
jobs created in France in 2024

**Inauguration**  
of the leather goods workshop in Riom  
enabling the creation of local jobs



### No. 12: Responsible consumption and production

- 12.2** By 2030, achieve the sustainable management and efficient use of natural resources.
- 12.5** By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.
- 12.6** Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.
- 12.8** By 2030, ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature.

Hermès' main contributions in 2024

The cardboard for the orange  
packaging boxes comprise  
**100%** recycled materials, and  
**100%** of orange bags are FSC-certified

**More than 200,000**  
after-sales service interventions

**38**  
expatriate craftspeople dedicated  
to repairs in 2025



### No. 13: Climate action

- 13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.
- 13.2** Integrate climate change measures into national policies, strategies and planning.
- 13.3** Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

#### Hermès' main contributions in 2024

A decrease of **63.7%** in absolute value of scopes 1 and 2 compared to 2018, and **-50.5%** of scope 3 in intensity.

Cancelled **carbon credits** corresponding to **100%** of GHG scopes 1 and 2 emissions, and emissions related to upstream and downstream transportation

2



### No. 15: Life on land

- 15.a** Mobilise and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.
- 15.b** Mobilise significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation.
- 15.1** By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.
- 15.2** By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.
- 15.9** By 2020, integrate ecosystem and biodiversity values into national and local planning, development processes, poverty reduction strategies and accounts.

#### Hermès' main contributions in 2024

**100%**  
of leather goods workshops have a biodiversity plan

**100%**  
of purchases related to animal supply chains are covered by the Group's Animal Welfare policy

**In-depth study of the impact on biodiversity**  
of leather (Hermès Maroquinerie Sellerie), wool and wood (Furniture and Art of Living), via the Global Biodiversity Score tool



### No. 17: Partnerships for the goals

- 17.17** Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships.

#### Hermès' main contributions in 2024

Partnership with Livelihoods carbon funds since  
**2012**

Renewed partnership with **WWF France** in the development of transformative practices

#### 2.4.1.2 SFDR-PAI CORRESPONDENCE ANALYSIS

Thematics	PAI	Paragraph
<b>Greenhouse Gases (GHG)</b>	<ul style="list-style-type: none"> <li>◆ Greenhouse gas emissions</li> <li>◆ Carbon footprint</li> <li>◆ Intensity of greenhouse gas emissions</li> <li>◆ Exposure to the fossil fuel sector</li> <li>◆ Share of non-renewable energy consumption and production</li> <li>◆ Intensity of energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>◆ § 2.1.2.1.9</li> <li>◆ § 2.1.2.1.9</li> <li>◆ § 2.1.1.5.1 No exposure</li> <li>◆ § 2.1.2.1.8</li> <li>◆ § 2.4.2</li> </ul>
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>◆ Activities significantly affecting biodiversity-sensitive areas</li> </ul>	<ul style="list-style-type: none"> <li>◆ § 2.1.2.4.2</li> </ul>
<b>Water</b>	<ul style="list-style-type: none"> <li>◆ Water consumption and discharge into water</li> </ul>	<ul style="list-style-type: none"> <li>◆ § 2.1.2.3.6</li> </ul>
<b>Waste</b>	<ul style="list-style-type: none"> <li>◆ Rate of hazardous/radioactive industrial waste</li> </ul>	<ul style="list-style-type: none"> <li>◆ § 2.1.2.2.6 / § 2.1.3.2.3</li> </ul>
<b>Social and employee issues</b>	<ul style="list-style-type: none"> <li>◆ Violations of the principles of the United Nations Global Compact and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises</li> <li>◆ Lack of compliance processes and mechanisms to monitor compliance with the principles of the UN Global Compact and the OECD Guidelines for Multinational Enterprises</li> <li>◆ Unadjusted gender pay gap</li> <li>◆ Gender diversity on the Board of Directors</li> <li>◆ Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)</li> </ul>	<ul style="list-style-type: none"> <li>◆ § 2.1.3.1.19 No violation</li> <li>◆ § 2.1.3.2.3 / 2.1.3.3.3 / 2.1.4.1.2</li> <li>◆ § 2.1.3.1.18</li> <li>◆ Chapter 3 “Corporate governance”</li> <li>◆ § 2.1.1.5.1 No exposure</li> </ul>

#### 2.4.1.3 GRI CORRESPONDENCE ANALYSIS

<b>Standard</b>	<b>Name of standard</b>	<b>Paragraph</b>
GRI 1	General principles	§ 2.1.1.1
GRI 2	General disclosures	§ 2.1.1.1
GRI 3	Management approach	§ 2.1.1.2
GRI-201	Economic performance	Chapter 1 "Presentation of the Group and its results"
GRI-202	Market presence	Chapter 1 "Presentation of the Group and its results"
GRI-203	Indirect economic impacts	§ 2.1.3.3
GRI-204	Procurement practices	§ 2.1.3.2.3
GRI-205	Anti-corruption	§ 2.1.4.1.2
GRI-206	Anti-competitive behaviour	§ 2.1.4.1.2
GRI-207	Tax	Chapter 4 "Changes in, complexity and interpretation of tax regulations"
GRI-301	Materials	§ 2.1.2.5.7
GRI-302	Energy	§ 2.1.2.1.8
GRI-303	Water and effluents	§ 2.1.2.3
GRI-304	Biodiversity	§ 2.1.2.4
GRI-305	Emissions	§ 2.1.2.1.9
GRI-306	Effluents and waste	§ 2.1.2.2.4 / § 2.1.2.5.8
GRI-308	Supplier environmental assessment	§ 2.1.3.2.6
GRI-401	Employment	§ 2.1.3.1.8
GRI-402	Labour/management relations	§ 2.1.3.1.10
GRI-403	Health and safety at work	§ 2.1.3.1.13 / § 2.1.3.1.17
GRI-404	Training and education	§ 2.1.3.1.15
GRI-405	Diversity and equal opportunity	§ 2.1.3.1.11 / § 2.1.3.1.14
GRI-406	Non-discrimination	§ 2.1.3.1.3
GRI-407	Freedom of association and collective bargaining	§ 2.1.3.1.10
GRI-408	Child labour	§ 2.1.3.2.2
GRI-409	Forced or compulsory labour	§ 2.1.3.2.2
GRI-410	Security practices	§ 2.1.3.2.2
GRI-411	Rights of indigenous peoples	§ 2.1.3.3
GRI-413	Local communities	§ 2.1.3.3
GRI-414	Supplier social assessment	§ 2.1.3.2.6
GRI-415	Public policy	§ 2.1.4.1.1
GRI-416	Customer health and safety	§ 2.1.3.4
GRI-417	Marketing and labelling	§ 2.1.3.4.3
GRI-418	Customer privacy	§ 2.1.4

#### 2.4.1.4 TCFD CORRESPONDENCE ANALYSIS

The international working group on transparency of climate-related financial risks (Task Force on Climate-related Financial Disclosures, TCFD) was created at COP21 by the G20 Financial Stability Board to establish a common global framework for the reporting of climate risks to companies.

The TCFD published its recommendations on the information to be

published by companies in June 2017.  
The references of the elements of the universal registration document that meet these recommendations are indicated in the cross-reference table below.

##### **TCFD recommendations**

##### **Correspondence with Hermès' strategy**

##### **Paragraph**

<b>Governance</b>		
Oversight by the Board of Directors of climate-related risks and opportunities	<i>The Supervisory Board, through its committees (CAG-CSR and Audit and Risk Committee) oversees sustainable development issues and interviews the operating departments several times a year, enhancing the stringency of requirements regarding climate topics.</i>	§ 2.1.1.2.2
Management role in assessing and managing climate-related risks and opportunities	<i>The Group's Executive Chairman, Axel Dumas, has been involved in many climate-related issues in recent years, including in particular the decisions to revise Hermès' climate commitment upwards with the SBTi validation for a trajectory of 1.5 °C. The Executive Committee devotes several sessions per year to the subject of sustainable development, including the climate.</i>	§ 2.1.1.2.4
<b>Climate strategy</b>		
Risks and opportunities related to the climate that the Group has identified in the short, medium and long term	<i>The exposure to transition risk is studied both by the audit and risk management department in its vertical analysis of the House's main activities, by the industrial and sustainable development departments, during the Sustainable Development Board and via dedicated Executive Committee sessions, with a more cross-cutting vision.</i>	§ 2.1.1.6.3
Impact of climate-related risks and opportunities on the Group's activities, strategy and financial planning	<i>Climate system disruptions and related operational, regulatory and political transition issues (such as carbon pricing), are already identified as physical and transition risks with impacts on the Group's supply chain, various operations (manufacturing, logistics, distribution), as well as on the behaviour of its customers.</i>	§ 2.1.2.1.3
Resilience of the organisation's strategy, taking into account different climate-related scenarios, including a 2 °C or lower scenario	<i>The Group analysed the IPCC (Intergovernmental Panel on Climate Change) scenarios for RCP 1.9, 2.6, 4.5 and 8.5 over three time scales (budget visions of two years, less than five years and a long-term vision of 25 years).</i>	§ 2.1.2.1.4
<b>Management of climate risk</b>		
Group processes to identify and assess climate-related risks	<i>The Group's risk management process is based on the preparation of risk mapping as well as the use of additional tools and the support of external experts to define the level of priority to be associated with the risks identified and the actions to be implemented to mitigate them.</i>	§ 2.1.2.1.4
Group processes for managing climate-related risks	<i>The risk maps are regularly updated and the action plans are monitored directly by the Group's various entities under the supervision of the audit and risk management department and the Group industrial department.</i>	§ 2.1.2.1.5
Integration of processes for identifying, assessing and managing climate-related risks into the organisation's overall risk management	<i>The risk maps are consolidated annually into a Group-wide risk mapping, including climate-related risks such as the scarcity of certain raw materials.</i>	§ 2.1.2.1.3

TCFD recommendations	Correspondence with Hermès' strategy	Paragraph
<b>Metrics and targets</b>		
Indicators used by the Group to assess climate-related risks and opportunities, in accordance with its strategy and risk management process	<i>The SBTi validated Hermès' carbon emission reduction targets, confirming the consistency of its policy with the Paris Agreement's 1.5°C trajectory.</i>	§ 2.1.2.1.4
Communicate scopes 1, 2 and, if appropriate, 3 greenhouse gas (GHG) emissions, as well as related risks	<i>Hermès bases its carbon emissions calculations on the rules of the GHG Protocol. The Group has set up a specific reporting tool and regularly calls on experts to refine the calculations of emission factors and revise some of the calculations carried out by the métiers or subsidiaries. Hermès ensures that the calculation of its carbon emissions is audited by an independent third party.</i>	§ 2.1.2.1.7
Objectives used by the Group to manage climate-related risks and opportunities and performance against these objectives	<i>The science-based targets, aligned with a world at 1.5°C, aim to reduce the absolute value of GHG emissions for scopes 1 and 2 by 50.4%, and the relative value by 58.1% (GHG emissions per million euros of gross margin) for scope 3 emissions over the period from 2018 to 2030.</i>	§ 2.1.2.1.7

#### 2.4.1.5 TNFD CORRESPONDENCE ANALYSIS

A working group was set up on the disclosure of financial information relating to nature (Taskforce on Nature-related Financial Disclosures – TNFD) to develop and provide a reporting framework for risks and opportunities related to the evolution of nature and to act accordingly,

with the ultimate aim of supporting a reorientation of global financial flows towards projects with positive externalities for nature. In September 2023, this group published a transparency framework, to which Hermès is aligned by publishing the information required in this Non-Financial Performance Statement. The details of the alignment with this framework are presented in the table below:

TNFD recommendation	Correspondence with Hermès' strategy	Paragraph
<b>Governance</b>		
Board oversight of nature-related dependencies, impacts, risks and opportunities	<i>The CAG-CSR Committee assists the Supervisory Board in monitoring matters relating to CSR and, more generally, sustainability, in order that the Hermès Group anticipates associated opportunities, challenges and risks as much as possible, based on all the information published by the Group on social and environmental matters.</i>	-
Management's role in assessing and managing nature-related dependencies, impacts, risks and opportunities	<i>The subject of "Biodiversity" is overseen by the Executive Committee, which relies on the work of the Sustainable Development Board. In addition, this issue is driven by specific competence present on the Supervisory Board.</i>	§ 2.1.2.4
The organisation's human rights policies and engagement activities, as well as the oversight conducted by the Board of Directors and management, with respect to indigenous peoples, local communities, stakeholders affected and others, in the assessment and response of the organisation to nature-related dependencies and impacts, risks and opportunities	<i>Driven by its humanist values, the Hermès Group's ethics and compliance policy aligns with the universal framework set down by the major principles, standards and international agreements, in particular those covering the subject of human rights.</i>  <i>The Group has several requirements in terms of ethics: zero tolerance for breaches of probity, a determined commitment to a culture of ethics, an anti-corruption policy and, lastly, a structured approach to protecting personal data.</i>  <i>Specific governance, carried out at the highest level of the organisation, guarantees the commitments, policies, control and alert systems that form the foundation of the approach.</i>	-
<b>Nature strategy</b>		
Disclose the actual and potential impacts of nature-related risks, opportunities and dependencies on the activities, strategy and financial planning of the organisation when this information is material	<i>The Group's biodiversity master plan is built around six components in line with the recommendations of the TNFD and those of the Act4nature international system: vision, governance and organisations, the four pillars of our commitments (train, collaborate, assess, act).</i>  <i>In line with the biodiversity blueprint, the SBTN approach was launched in 2023.</i>	§ 2.1.2.4
Nature-related dependencies, impacts, risks and opportunities that the organisation has identified in the short, medium and long term	<i>The diagnostics carried out on the sites' biodiversity and water resources made it possible to assess the risks for the Group's direct activities. Since 2019, Hermès has methodologically mapped its supply chains in order to identify their risks, including on the environment.</i>	§ 2.1.2.4.2 and § 2.1.2.5.6
Effects that nature-related dependencies, impacts, risks and opportunities have had on the organisation's business model, value chain, strategy and financial planning, as well as any transition plans or analyses	<i>The rollout of the biodiversity strategy is overseen by the Executive Committee and the Sustainable Development Board, and regularly reviewed by external organisations such as Act4nature international. The action plan follows four areas: training all employees in biodiversity, collaboration with recognised external stakeholders, measuring Hermès' relations with biodiversity and the activation of action plans commensurate with the issues.</i>	§ 2.1.2.4
Resilience of the organisation's strategy to nature-related risks and opportunities, taking into account different scenarios	<i>The large diversity of types and geographical origins of Hermès' natural materials, and its mainly French production, make it possible to reduce its exposure to the occasional or chronic degradation of certain ecosystems.</i>	§ 2.1.2.5
Disclose the locations of assets and/or activities in the organisation's direct operations and, if possible, the upstream and downstream value chain(s) that meet the priority location criteria	<i>Hermès publishes its sites close to biodiversity-sensitive areas and supply chain briefs for its suppliers, which also take into account biodiversity issues as well as the mapping of its production sites.</i>	§ 2.1.2.4.2 and § 2.1.2.2.2

TNFD recommendation	Correspondence with Hermès' strategy	Paragraph
<b>Management of nature-related risk and impacts</b>		
Organisational processes to identify, assess and prioritise nature-related dependencies, impacts, risks and opportunities in its direct operations	<i>The Group's risk management process is based on the preparation of risk mapping as well as the use of additional tools to define the level of priority to be associated with the risks identified and the actions to be implemented to mitigate them. In addition, steps 1 and 2 of the SBTN approach have made it possible to assess the materiality of the issues and establish the conditions for prioritisation.</i>	§ 2.1.2.4.2
The organisation's processes to identify, assess and prioritise nature-related dependencies, impacts, risks and opportunities in its upstream and downstream value chain(s)	<i>Risk management for value chains is included in the Group process.  It is based on the preparation of risk mapping, and supplemented by steps 1 and 2 of the SBTN approach, which have made it possible to assess the materiality of the issues and establish the conditions for prioritisation.</i>	§ 2.1.2.4.2
Organisational processes to manage nature-related dependencies, impacts, risks and opportunities	<i>The risk maps are regularly updated and the action plans are monitored directly by the Group's various entities under the supervision of the audit and risk management department.</i>	§ 2.1.2.4.1
Processes for identifying, assessing and managing nature-related risks integrated into the organisation's overall risk management	<i>The risk maps are consolidated annually into a Group-wide risk mapping, including for risks related to biodiversity such as reduced ecosystem integrity.</i>	§ 2.1.2.4.2
<b>Measurement tools and targets</b>		
Measurements used by the organisation to assess and manage nature-related risks and opportunities in accordance with its strategy and risk management process.	<i>Hermès uses specific metrics to assess and manage nature-related risks and opportunities, in line with its risk management strategy and process (MSA : Mean Species Abundance).</i>	§ 2.1.2.4.6
Measurements used by the organisation to assess and manage dependencies and impacts on nature	<i>In 2021, Hermès measured its footprint using the Global Biodiversity Score tool developed by CDC Biodiversité (a subsidiary of Caisse des Dépôts), implemented with the support of WWF France and based on field, financial and theoretical data from 2019.  An update was made at the scope of the Leather activity. This biodiversity footprint measurement approach is part of Target 15 of the Kunming-Montreal Agreement.  Launch of the SBTN approach during the financial year.</i>	§ 2.1.2.4.2
Targets & objectives used by the organisation to manage nature-related relationships of dependency, impacts, risks and opportunities, as well as its performance in relation to these	<i>Hermès sets targets that are both specific on biodiversity but also related to its industrial performance (water, waste, pollution) and the responsibility of these sectors (certification). These objectives are reviewed at least annually to ensure performance.</i>	§ 2.1.2.1, § 2.1.2.2 and § 2.1.2.5

#### 2.4.1.6 GLOBAL BIODIVERSITY AGREEMENT OF THE CONVENTION ON BIOLOGICAL DIVERSITY

Voluntarily, without waiting for the implementation of the Convention on Biological Diversity as a French national biodiversity strategy or

other binding mechanism, Hermès has launched a reflection with its partners, such as WWF France, in order to generate concrete responses by companies under the Kunming-Montreal Global Biodiversity Framework, in particular on objectives for Hermès' activities. They are summarised in the table below:

Targets of the Kunming-Montreal Global Framework	Correspondence with Hermès' strategy	Paragraph
<b>Objective A – Reducing threats to biodiversity</b>		
Target 1: Regional planning	Harmonie real estate standard to limit artificialisation of land	§ 2.1.2.4.4
Target 2: Restoration	Projects to restore sensitive ecosystems	§ 2.1.2.4.4
Target 4: Endangered species	Compliance with CITES regulations	§ 2.1.2.5.3
Target 5: Trade of wild species	Sustainable supply chain & CSR briefs	§ 2.1.2.5.3
Target 6: Invasive species	Ostrich supply chains: protection, with local NGOs, of the South African hydraulic network by combatting invasive draining plants  Removal of invasive plants from operated sites	§ 2.1.2.4.4
Target 7: Pollution	Target of phasing out unnecessary single-use plastics, chemicals management policy	§ 2.1.2.2 and § 2.1.2.5.5
Target 8: Climate change	Scopes 1, 2 and 3 reduction objectives validated by the SBTi	§ 2.1.2.1
<b>Objectives B &amp; C – Meeting people's needs through sustainable use and benefit-sharing</b>		
Target 9: Sustainable use	Promotion of the sustainable management and use of wild species in supply chains via sustainable supply chain & CSR briefs  Eco-design, promotion of circularity and sustainable and repairable products, reducing pressure on nature thanks to a longer life cycle with less impact	§ 2.1.2.5
Target 10: Resource exploitation	Promotion of the application of biodiversity-friendly practices in supply chains via sustainable supply chain & CSR briefs, and Group Forest Policy	§ 2.1.2.4 and § 2.1.2.5
Target 12: Urban areas	Management of tertiary sites to increase the surface area, quality and connectivity of green and blue spaces in urban areas	§ 2.1.2.4.4
Target 13: Access to and sharing of benefits	n/a	
Target 14: Integration and normalisation	n/a	
<b>Objective D – Tools and solutions for implementation and mainstreaming</b>		
Target 15: Business	Measurement of the biodiversity footprint of the value chains of 92% of Hermès' revenue via the GBS and communication of major results, implementation of SBTN steps 1 and 2	§ 2.1.2.4.2
Target 16: Sustainable consumption	Actions to promote circularity and reduce waste production	§ 2.1.2.5.5

#### 2.4.1.7 FRENCH NATIONAL BIODIVERSITY STRATEGY FOR 2030

The National Biodiversity Strategy for 2030 (SNB) is the expression of France's commitment to the Convention on Biological Diversity for the period 2022-2030, succeeding two previous strategies covering the periods 2004-2010 and 2011-2020. It also falls within the

framework of the European Green Deal. Its major objective is to reduce pressures on biodiversity, protect and restore ecosystems, as well as initiate fundamental changes to reverse the trajectory of biodiversity decline. The philosophy of Hermès' biodiversity strategy (train, collaborate, measure, act) is fully aligned with the four pillars of the SNB:

<b>SNB key measures</b>	<b>Correspondence with Hermès' strategy</b>	<b>Paragraph</b>
<b>Pillar 1: Reduce pressure on biodiversity</b>		
Limiting changes in land and sea use – Measures 1 and 2	The Harmonie standard includes an objective of reducing land use in the Group's real estate projects	§ 2.1.2.4.4
Combatting the overexploitation of species, in France and abroad – Measures 3 and 4	Supply chain briefs define the Group's requirements for raw materials, including certifications. In particular, the Group does not use materials or species that are threatened with extinction (CITES – appendix 1) or are sold illegally	§ 2.1.2.5.3
Reducing the impact of climate change on biodiversity through climate policies – Measure 5	1.5 °C trajectory validated by SBTi on scopes 1, 2 and 3	§ 2.1.2.1
Reducing pollution – Measures 6, 7, 8 and 9	Deployment of diagnostics and biodiversity measures on operated sites, including zero phyto. Objective of eliminating unnecessary single-use plastics. Installation of own effluent treatment plant and reduce water discharges	§ 2.1.2.2 and § 2.1.2.4.4
Combatting invasive alien species – Measure 10	Combatting invasive alien species in supply chains (draining plants in South Africa, in the Ostrich sector), and on operated sites	§ 2.1.2.4.4
Stepping up the fight against environmental damage – Measure 11	EHS audit programmes and vigilance plan	§ 2.1.3.2
More specifically supporting priority sectors to reduce their impacts on biodiversity – Measures 12, 13, 14, 15, 16, 17 and 18	Offering suppliers support on energy and carbon, water and biodiversity aspects	§ 2.1.3.2 and § 2.1.2.5.3
<b>Pillar 2: Restore degraded biodiversity wherever possible</b>		
Restoring ecological continuity and bringing nature back to the city – Measures 20 and 21	Biodiversity plan on operating sites, particularly in urban areas (creation of gardens, bio-monitoring through beehives)	§ 2.1.2.4.3 and § 2.1.2.4.4
Strengthening the resilience of forest ecosystems – Measure 22	Publication of the Group's Forests policy, certification of the wood and paper/cardboard supply chains	§ 2.1.2.4.3 and § 2.1.2.4.4
Maintaining and restoring specific ecosystems (hedges, permanent grasslands, wetlands, soils) – Measures 23, 24, 25 and 26	Investment in Livelihoods projects since 2012: restoration and preservation of natural ecosystems (mangroves), agroforestry and soil restoration through sustainable agricultural practices, access to rural energy to reduce deforestation	§ 2.1.2.1.7
Reversing the decline in endangered flagship species, in particular endemic species in the French Overseas Departments and Collectivities – Measure 27	Preservation of natural crocodilian habitats by breeding farms	§ 2.1.2.4.4

<b>SNB key measures</b>	<b>Correspondence with Hermès' strategy</b>	<b>Paragraph</b>
<b>Pillar 3: Mobilise all stakeholders</b>		
Ensuring the exemplary nature of the State and public services – Measures 28 and 29	n/a	-
Supporting the action of local authorities – Measure 30	n/a	-
Supporting companies' commitment to biodiversity – Measure 31	Implementing biodiversity training actions for all employees	§ 2.1.2.4.5
Mobilising citizens throughout their lives – Measures 32, 33, 34 and 35	Mobilisation of the Fondation d'entreprise Hermès in favour of the preservation of the living world	§ 1.11
<b>Pillar 4: The means to achieve these ambitions</b>		
Developing and enhancing knowledge of biodiversity data and issues – Measure 36	Hermès has been measuring and publishing its footprint since 2021 using the Global Biodiversity Score tool	§ 2.1.2.4.2
Mobilising public and private financing for biodiversity, in France and abroad – Measures 37, 38 and 39	Investment plan for industrial projects to reduce environmental pressures (energy, water, carbon, waste, pollution)	§ 2.1.2
Establishing inter-ministerial governance for the oversight and accountability of the SNB – Measure 40	n/a	-
Implementing detailed oversight using indicators – Measure 40	Application of the SBTN method to implement a science-based method for managing biodiversity issues	§ 2.1.2.4.2

#### 2.4.1.8 SASB CORRESPONDENCE GRID

<b>SASB topic</b>	<b>Correspondence with Hermès' strategy</b>	<b>Paragraph</b>
Chemicals management (CG-AA-250a)	<p>Hermès assumes all its responsibilities as a company that places goods on markets, to ensure the regulatory compliance of all products sold, in all countries where it operates.</p> <p>The list of restricted substances monitored by the Group is the list of restricted substances worldwide. The Group has set a target of compliance with the most stringent regulations, which are generally European regulations. -</p>	§ 2.1.2.2.1
Environmental impacts in the supply chain (CG-AA-430a)	<p>Hermès ensures that it monitors the environmental footprint of its supply chain. The Group verifies through regular audits that its suppliers (Tiers 1 and 2) comply with local regulations.</p> <p>The Group's entities and those of its suppliers are regularly subject to audits carried out by Hermès' teams and external consultants, in addition to those carried out by the authorities (in particular for sites subject to authorisation).</p>	§ 2.1.3.2
Working conditions in the supply chain (CG-AA-430b)	<p>The Group's supplier relations policy is based on four pillars: safety, quality &amp; innovation, cost control and CSR.</p> <p>Hermès systematically requests a formal commitment from its suppliers to comply with their social, regulatory and environmental obligations through two undertaking handbooks signed by both parties.</p>	§ 2.1.3.2
Raw materials sourcing (CG-AA-440a)	<p>The Group exercises close control over these raw materials, particularly in terms of quality and the conditions for obtaining these materials and their environmental and social impact.</p> <p>As soon as a risk related to social or environmental non-compliance is detected, the Group carries out investigations that may lead to supplies being halted.</p> <p>The objectives and recommendations concerning Hermès' supply chains are presented in the supply chain brief.</p>	§ 2.1.2.5

## 2.4.2 ADDITIONAL INFORMATION

### 2.4.2.1 ENVIRONMENTAL DATA

The tables and infographics below present historical data on a selection of key indicators.

The data for 2023 and earlier are taken from previous reporting exercises (NFPS) and when their calculation method has been aligned with the expectations of the CSRD, they have not been updated (unless otherwise indicated).

The 2024 data are those used in Section 2.1 “Sustainability information”, however, they provide more specific figures (by métier, by region, for example) and may relate to a more restricted scope not presented in section 2.1. These more detailed data have not been verified by a sustainability verifier.

In order to facilitate the reading of this data, 2024 data have been shaded grey.

2

#### 2.4.2.1.1 Water

##### BREAKDOWN OF WATER WITHDRAWALS BY ACTIVITY

(In megalitres)	2019	2020	2021	2022	2023	2024
Tannery	407	343	352	365	339	357.4
Textile	198	165	196	217	186	181.6
Leather	29	26	33	30	31	33.9
Metal	-	9	13	25	20	19.1
Cristalleries	11	9	8.9	9	8	10.2
Logistics	6.6	7.0	4.2	5.5	5.5	6.1
Perfume and Beauty	5.1	6.7	6.2	5.9	6.7	7.1
Watch division	3.2	4.9	4.9	5.2	3.6	3.3
Beyrand	2.6	2.3	2.1	1.8	2.8	2.8
Bootmaker	3.0	5.0	3.3	2.7	2.2	3.2
Porcelain	2.3	2.3	2.3	2.8	2.8	2.6
Silversmith	-	0.24	0.18	0.18	0.2	0.2
Jewellery	-	-	-	-	-	0.3
<b>Sub-total Industrial water</b>	<b>668</b>	<b>580</b>	<b>627</b>	<b>671</b>	<b>608</b>	<b>628</b>
Farms	4,514	4,514	4,810	4,680	4,757	5,018
<b>TOTAL</b>	<b>5,182</b>	<b>5,094</b>	<b>5,437</b>	<b>5,351</b>	<b>5,365</b>	<b>5,646</b>

##### CHANGE IN INDUSTRIAL WATER WITHDRAWALS

Year	(In megalitres)	Intensity (m³/€m)
2014	493	120
2015	503	104
2016	768	148
2017	714	129
2018	720	121
2019	668	97
2020	580	91
2021	627	70
2022	671	58
2023	608	45
<b>2024</b>	<b>628</b>	<b>41</b>

#### 2.4.2.1.2 Energy

##### BREAKDOWN OF THE GROUP'S ENERGY CONSUMPTION (ELECTRICITY AND GAS) BY DIVISION

Group breakdown (in MWh)	Industry	Farms	Stores	Services	Total	Intensity (In MWh/€M revenue)
2020	147,955	4,100	36,969	14,253	203,277	31
2021	162,147	5,100	38,451	14,209	219,907	24
2022	160,256	4,831	41,290	16,715	223,091	19
2023	152,119	4,796	40,013	16,968	213,896	16
<b>2024</b>	<b>161,780</b>	<b>4,727</b>	<b>43,564</b>	<b>13,558</b>	<b>223,629</b>	<b>15</b>
2024 in %	72%	2%	20%	6%	-	-

##### BREAKDOWN OF INDUSTRIAL ENERGY CONSUMPTION (ELECTRICITY AND GAS) BY ACTIVITY

Breakdown by métier (in GWh)	2020	2021	2022	2023	2024
Tannery	40	38	37.9	34.6	36.2
Textile	31	36	38.6	37.7	37.5
Leather	23	24	23.8	21.9	24.4
Metal	-	4.3	4.8	6.0	7.6
Cristalleries	40	42	37.8	35.1	39.9
Logistics	4.8	4.4	4.2	3.9	3.4
Perfume and Beauty	3.1	3.7	3.5	3.6	3.8
Watch division	1.4	1.5	1.6	1.7	2.1
Beyrand	3.7	4.1	4.1	4.1	4.1
Bootmaker	0.95	1.1	1.0	1.0	1.2
Porcelain	1.7	2.4	2.5	2.5	2.3
Silversmith	0.64	0.56	0.41	0.12	0.1
Jewellery	-	-	-	-	0.2
<b>TOTAL (GWH)</b>	<b>148.0</b>	<b>162.1</b>	<b>160.3</b>	<b>152.1</b>	<b>161.8</b>
<b>TOTAL (MWH)</b>	<b>147,955</b>	<b>162,147</b>	<b>160,256</b>	<b>152,119</b>	<b>161,780</b>

##### CHANGE IN INDUSTRIAL ENERGY CONSUMPTION (GAS AND ELECTRICITY - EXCLUDING FARMS)

2024	Gas (MWh)	Electricity (MWh)	Total (MWh)	Intensity (MWh/€M revenue)
2014	83,397	50,398	133,795	32
2015	81,625	51,678	133,303	28
2016	99,449	54,645	154,094	30
2017	105,894	54,768	160,662	29
2018	105,042	56,489	161,531	27
2019	101,744	56,373	158,117	23
2020	91,106	56,849	147,955	23
2021	99,406	62,741	162,147	18
2022	93,213	67,043	160,256	14
2023	82,538	69,581	152,119	11
<b>2024</b>	<b>82,092</b>	<b>79,687</b>	<b>161,780</b>	<b>11</b>

BREAKDOWN OF ELECTRICITY CONSUMPTION OF STORES BY GEOGRAPHICAL AREA IN 2021, 2022, 2023 AND 2024 (MWH)

Geographical area	2020	2021	2022	2023	2024
France	2,721	3,536	4,018	3,282	3,282
Europe (excluding France)	7,321	7,513	7,625	7,478	8,099
Americas	9,698	10,682	11,930	9,557	11,916
Japan	5,164	4,471	5,683	5,806	5,067
Asia-Pacific (excluding Japan)	12,066	12,249	12,033	13,889	15,200
<b>TOTAL</b>	<b>36,969</b>	<b>38,451</b>	<b>41,290</b>	<b>40,013</b>	<b>43,564</b>

2

2.4.2.1.3 Waste

2024	NHIW <sup>1</sup> (t)	HIW <sup>2</sup> (t)
Tannery	8,479	633
Textile	575	1,088
Cristalleries	294	833
Leather	1,412	104
Perfume and Beauty	1,367	254
Logistics	538	1
Metal	220	1,377
Porcelain	96	21
Beyrand	60	36
Watches	79	80
Bootmaker	137	1
Silversmith	5	13
Jewellery	25	1
<b>TOTAL (EXCLUDING FARMS)</b>	<b>13,287</b>	<b>4,442</b>

(1) Non-hazardous industrial waste.

(2) Hazardous industrial waste.

INDUSTRIAL WASTE INTENSITY (EXCLUDING FARMS) OVER THE LAST THREE YEARS

	2020	2021	2022	2023	2024
NHW intensity (t/€M)	0.94	1.12	0.93	1.01	0.94
Change	+9%	+19%	+17%	+8.6%	- 6.9%
HIW intensity (t/€M)	0.81	0.31	0.27	0.30	0.29
Change	+12%	+62%	+14%	+11.1%	- 2.1%

#### 2.4.2.1.4 Climate change

##### GREENHOUSE GAS EMISSIONS ASSESSMENT – SCOPES 1 AND 2 AND DETAIL OF SCOPE 3

(In k tonnes CO <sub>2</sub> eq)	2018	2019	2020	2021	2022	2022 comparable	2023	2024
<b>Scopes 1 and 2 market-based</b>	<b>43.7</b>	<b>41.4</b>	<b>38.5</b>	<b>37.4</b>	<b>31.2</b>	<b>31.2</b>	<b>22.0</b>	<b>15.9</b>
<b>Scope 3</b>								
Products and services								
1. purchased	402.9	365.6	336.2	361.8	415.1	433.6	462.4	530.1
2. Capital goods	26.7	10.7	31.5	24.6	61.2	61.2	31.0	62.0
Fuel- and energy-related activities not included in 3. scopes 1 or 2 emissions	3.0	2.9	2.8	3.0	2.9	2.9	2.6	2.7
Upstream								
Upstream transportation 4. and distribution	20.7	14.2	17.7	10.9	17.8	17.8	17.6	7.7
Waste generated by the 5. sites	8.8	9.3	5.8	6.2	7.3	7.3	8.1	8.5
6. Business travel	27	15.9	3.2	1.3	4.8	4.8	10.7	10.0
7. Employee commuting	19.7	13.1	14.6	20.3	22.6	22.6	25.3	29.1
8. Upstream leased assets	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S
Downstream								
Downstream transportation 9. and distribution	70	51.7	48.5	57.7	73.5	73.5	82.1	77.6
Processing of products 10. sold	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S
11. Use of products sold	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S
End-of-life treatment of 12. products sold	N/S	N/S	N/S	1.9	1.9	1.9	1.6	1.4
13. Downstream leased assets	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S
14. Franchises	-	-	2.1	2.4	2.6	2.6	2.6	2.7
15. Investments	N/S	N/S	N/S	N/S	N/S	N/S	N/S	N/S
<b>TOTAL SCOPE 3</b>	<b>578.7</b>	<b>483.5</b>	<b>462.5</b>	<b>490.1</b>	<b>609.6</b>	<b>628.1</b>	<b>643.8</b>	<b>731.9</b>

NB: calculations or estimates that led to non-material amounts (threshold <0.5% of the total) are included as "not significant" (N/S).

NB 2: the data in the "2022 like-for-like" column include changes in scope, methodology and emission factors to make the data comparable to those for 2023.

#### 2.4.2.2 SOCIAL DATA

##### 2.4.2.2.1 Own workers

###### CHANGE IN OWN WORKERS SINCE 2013

11,037 11,718 12,244 12,834 13,483 14,284 15,417 16,600 17,595 19,686 22,037 **25,185**

2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 **2024**

CHANGE IN OWN WORKERS SINCE 2019 WITH PROFORMA DATA FROM 2019 TO 2024 USING THE CSRD METHODOLOGY

16,017 16,956 18,137 20,296 22,879 **25,185**

2

2019 2020 2021 2022 2023 **2024**

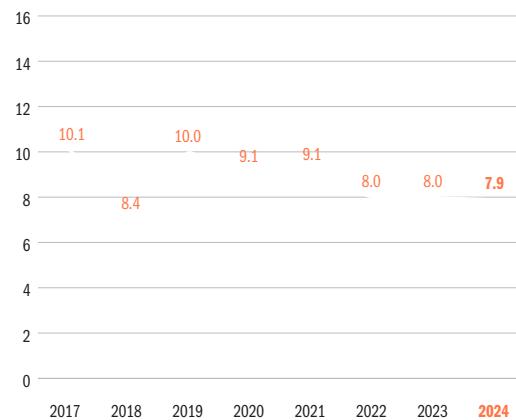
**2.4.2.2.2 Diversity and inclusion**

**EMPLOYMENT RATE OF PEOPLE WITH DISABILITIES IN FRANCE**

(In %)	2018	2019	2020	2021	2022	2023
Direct employment rate of people with disabilities in France	4.2	4.9	5.7	6.4	6.8	7.12

**2.4.2.2.3 Health and safety**

**CHANGE IN THE FREQUENCY RATE OF OCCUPATIONAL INJURIES RESULTING IN ABSENCE**



**CHANGE IN THE SEVERITY RATE OF OCCUPATIONAL INJURIES RESULTING IN ABSENCE**



**2.4.2.2.4 Training**

	2022	2023	2024
Number of training days per employee (total number of training hours/number of employees trained)	3 days	3 days	3 days -



# 3

## CORPORATE GOVERNANCE AFR

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## SUPPLEMENTARY BOARD REPORT ON CORPORATE GOVERNANCE AFR

This chapter 3 "Corporate governance" incorporates in § 3.1 to 3.9 the Supervisory Board corporate governance report prepared pursuant to Article L. 22-10-78 of the French Commercial Code (*Code de commerce*) and in accordance with the recommendations of the French Financial Markets Authority (AMF).

A cross-reference table for the corporate governance report is presented in chapter 9 "Additional information", § 9.5.3.

It was prepared with the assistance of the Chairman of the Supervisory Board, the CAG-CSR Committee and the Secretary of the Board, on the basis of the work and procedures carried out by the functional departments concerned. It was approved by the Supervisory Board at its meeting of 13 February 2025.

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### 3.1 THE COMPANY'S CORPORATE GOVERNANCE CODE

#### 3.1.1 CORPORATE GOVERNANCE PRINCIPLES APPLIED

The Supervisory Board officially adopted the Afep-Medef recommendations on corporate governance in 2009, as it deemed these recommendations to be entirely in keeping with the Group's corporate governance policy. This framework includes the Afep-Medef Corporate Governance Code for listed companies, updated in December 2022, available on the Afep website ([www.afep.com](http://www.afep.com)) or the Medef website ([www.medef.com](http://www.medef.com)), and the application guide of the High Committee on Corporate Governance (HCGE), revised in June 2022, which explains the recommendations of this code.

The positions and recommendations issued by the French Financial Markets Authority (AMF) are also taken into account:

- ◆ concerning corporate governance and the compensation of Executive Corporate Officers (AMF position-recommendation - DOC-2021-02 and AMF recommendation - DOC-2012-02);
- ◆ on Shareholders' General Meetings of listed companies (AMF recommendation DOC-2012-05).

With each revision of the Afep-Medef Code, the CAG-CSR Committee performs an exhaustive comparative analysis of the Company's application of the Afep-Medef Code's recommendations, and reports to the Supervisory Board.

These periodic reviews, as well as monitoring of market practices and analyses, make it possible to adapt the systems in force each year with the aim of constant improvement.

#### 3.1.2 PROVISIONS OF THE AFEP-MEDEF CORPORATE GOVERNANCE CODE NOT APPLIED AND THOSE NEWLY COMPLIED WITH

The table below lists the provisions of the Afep-Medef Code not applied by the Company at the date of publication of this universal registration document, together with the corresponding explanations.

We have also listed the changes made since the most recent update of the Afep-Medef Code in December 2022 to ensure compliance therewith.

The Afep-Medef Code states as a preamble that its recommendations "most of them have been written with reference to *sociétés anonymes* (public limited companies) with a Board of Directors. Public limited companies with a Management Board and a Supervisory Board, as well as *sociétés en commandite par actions* (partnerships limited by shares) will therefore need to make the necessary adjustments".

A *société en commandite par actions* (partnerships limited by shares, SCA) is a flexible legal form and intended as such by the legislator. Furthermore, if some constants can be observed between the various large French SCAs, there is also a very diverse variety of organisation and functioning within the framework of the law.

The Afep-Medef Code also recognises the freedom of organisation of companies (Article 2.2): "The wide diversity of listed corporations does not allow formal and identical forms of organisation and operation to be imposed for all Boards of Directors. The organisation of the Board's work, and likewise its membership, must be suited to the shareholder make-up, to the size and nature of each firm's activity, and to the particular circumstances facing it. Each Board is the best judge of this, and its foremost responsibility is to adopt the mode of organisation and operation that enable it to carry out its tasks in the best possible manner."

The very specific functioning of an SCA and the organisation of powers between the Executive Management, the Supervisory Board and the Active Partner make certain recommendations of the

Afep-Medef Code inapplicable. These recommendations have therefore been rejected or adapted by Hermès International due to its legal form. No recommendations were dismissed for other reasons.

**Provisions of the Afep-Medef Code not applied due to the Company's legal form**

**The Board and CSR (Articles 5.1 to 5.3)**

The Board's missions are strengthened so that it determines the multi-year strategic orientations in terms of CSR and is the guarantor of their implementation.

**Explanations**

The Supervisory Board of Hermès International has powers strictly defined by the Company's Articles of Association and does not have the authority to determine the strategic orientations that fall within the exclusive competence of the Executive Management.

It is therefore the responsibility of the Executive Management to:

- ◆ determine the CSR strategy including climate objectives;
- ◆ decide on the implementation methods: action plan and time horizons within which these actions will be carried out;
- ◆ annually review the results obtained and the opportunity to adapt the action plan or modify the objectives in light of changes in the Company's strategy, technologies, shareholder expectations and the economic capacity to implement them; and
- ◆ prepare the sustainability report.

The governance put in place by the Executive Management to monitor CSR issues is presented in chapter 2 "Corporate social responsibility and non-financial performance", § 2.1.1.2.2).

As part of its management control role, the multi-year strategic guidelines in terms of CSR and their implementation methods were presented to the Supervisory Board. The results obtained are presented each year to the CAG-CSR Committee, which reports to the Supervisory Board.

In addition, the double materiality analysis, and more generally all the elements making up the sustainability report, were the subject of joint meetings of the Audit and Risk and CAG-CSR Committees in early 2025. The conclusions of their work were shared with the Supervisory Board.

This provision of the Afep-Medef Code has been adapted to suit Hermès International, given its legal form and the role assigned to the Supervisory Board (described in § 3.5.1).

**Board meetings and Committee meetings (Article 12.3)**

It is recommended that at least one meeting not attended by the Executive Corporate Officers be organised each year.

Hermès International's Supervisory Board holds powers that are strictly defined by the Company's Articles of Association and does not have the power to appoint the Executive Chairmen or determine their compensation policy. These decisions are the responsibility of the Active Partner, Émile Hermès SAS, under the aegis of its Executive Management Board. Furthermore, and this is an essential point of the Company's governance, the duties of the Supervisory Board do not entail any involvement in the Executive Management, nor any liability for management actions and the results thereof. This provision of the Afep-Medef Code is therefore not applicable to Hermès International, given its legal form and the role assigned to the Supervisory Board (described in § 3.5.1).

**Succession plan for Executive Corporate Officers (Article 18.2.2)**

The Appointments Committee (or an ad hoc committee) should design a plan for replacement of Executive Corporate Officers. This is one of the Committee's most important tasks even though it can, if necessary, be entrusted by the Board to an ad hoc committee. The Chairman may take part or be involved in the Committee's work during the conduct of this task.

The Company's CAG-CSR Committee (described in § 3.6.2) is not in charge of establishing the succession plan for the Executive Chairmen, a task that does not fall within the remit of the Supervisory Board in a *société en commandite par actions* (partnership limited by shares).

In accordance with its rules of procedure, since 2016 the CAG-CSR Committee has been tasked with ensuring the existence of a succession plan for the Executive Chairmen, which is reviewed annually (see § 3.3.5.1). Since 2018, the CAG-CSR Committee has also ensured the existence of a succession plan for the Chairman of the Supervisory Board (see § 3.4.4) and this mission is included in its rules of procedure (see <https://finance.hermes.com/en/governing-bodies/>).

**Composition of the Compensation Committee (Article 19.1)**

The Compensation Committee "shall not include any Executive Corporate Officers and shall be composed of a majority of independent directors. It is recommended that the Chairman of the Committee be independent and that an employee director be a member."

This recommendation is supplemented in Article 19.2 by the description of the powers of the Compensation Committee, as defined by Afep-Medef: "The Compensation Committee is responsible for reviewing and proposing to the Board all of the elements determining the compensation and entitlements accruing to the company officers. The Board of Directors in its entirety is responsible for making the corresponding decisions."

This recommendation is primarily intended for monist or dual-tier *sociétés anonymes* (public limited companies) since it is up to the Board of Directors or the Supervisory Board of such structures to establish the compensation policy and the effective compensation of Executive Corporate Officers (Article L. 22-10-8 of the French Commercial Code (*Code de commerce*)).

Its application remains debatable in the case of *sociétés en commandite par actions* (partnerships limited by shares) (SCA).

In an SCA, the Supervisory Board is the body representing the Limited Partners. Its duties and powers of control are defined as those of a Statutory Auditor. The Supervisory Board of an SCA has exceptional powers of control (in the audit sense) of the management of the company, as a counterpart to the dormant partner role of the Limited Partners.

The Supervisory Board of Hermès International has powers strictly defined by the Company's Articles of Association and does not have the authority to determine the compensation policy for the Executive Chairmen, which falls within the sole remit of the Active Partner Émile Hermès SAS, under the aegis of its Executive Management Board.

The law (Article L. 22-10-76 of the French Commercial Code (*Code de commerce*)) provides that the role of the Supervisory Board of an SCA is limited to issuing an advisory opinion on the compensation policy and deliberating on the actual compensation.

The role of Hermès International's CAG-CSR Committee is strictly limited to that of monitoring compliance with the Articles of Association and the compensation policy and monitoring the actual compensation proposed by the Active Partner as well as the assessment of the achievement of the variable compensation CSR criterion.

The responsibilities of the CAG-CSR Committee therefore do not correspond to the responsibilities of the Committee in charge of compensation as defined by the Afep-Medef Code.

The Board therefore decided to set aside this provision of the Code, in a clear, relevant and detailed manner, due to the legal form of the company.

The role of the Supervisory Board in the decision-making process applicable to the compensation policy for the Executive Chairmen is described in § 3.8.1.2.

**Provisions of the Afep-Medef Code not applied due to the Company's legal form**

**Proportion of independent members on the Audit Committee (Article 17.1)**

Independent directors should account for at least two thirds of Audit Committee members and the Committee should not include any Executive Corporate Officers.

**Explanations**

This provision of the Afep-Medef Code has been adapted to suit Hermès International, given its legal form and the role assigned to the Supervisory Board (described in § 3.5.1).

The Supervisory Board determined that slightly less than two-thirds of the Audit and Risk Committee members are independent (60%, i.e. three out of five members). This situation enables the Audit and Risk Committee to carry out its duties in an appropriate manner. The Audit and Risk Committee rules of procedure stipulate that at least one-half of the seats on the Audit and Risk Committee should be held by members who qualified as independent at the time of their appointment and throughout their term of office. Thus, the Chairwoman of the Audit and Risk Committee is an independent member of the Supervisory Board.

In addition, the Supervisory Board wished to favour the contribution of specific and complementary skills, while ensuring compliance with the spirit of the Afep-Medef Code. This practice was also in line with the positions expressed by the HCGE in its 2014 and 2017 reports.

Nevertheless, as it does regularly – and at least once a year – the Supervisory Board carried out a new assessment of the composition of its Audit and Risk Committee in early 2025. This was conducted in order to take into account changes in the composition of the Supervisory Board (chapter 8 "Combined General Meeting of 30 April 2025", § 8.2, Explanatory statement to the sixteenth to eighteenth resolutions), as well as, more generally, being part of Hermès' constant commitment to adopting best governance practices, while taking into account the specificities of its organisation. Thus, if the General Meeting approves the proposals submitted to it by the Supervisory Board (chapter 8 "Combined General Meeting of 30 April 2025", § 8.2, Explanatory statement to the sixteenth to eighteenth resolutions), the Audit and Risk Committee would comprise only four members (three of whom are independent) instead of five, at the end of the meeting (see § 3.6.1.3). The Audit and Risk Committee would thus comply strictly with the recommendation of the Afep-Medef Code in this respect, being composed of 75% independent members.

**Severance payment (Article 26.5.1)**

The performance requirements set out by Boards for these benefits must be evaluated over at least two financial years. They must be demanding and may not allow for the indemnification of a director unless his or her departure is forced, regardless of the form of this departure.

The company made a commitment to pay Mr Axel Dumas a severance payment under the conditions described in § 3.8.1.2.4.

Given the importance of the role of the Active Partner in a *société en commandite par actions* (partnership limited by shares) – which has the power to appoint and dismiss any manager – and in the case of a legal entity, its legal representative, it was considered that the termination of duties as Executive Chairman of Mr Axel Dumas, which would result from the replacement of the Chairman of Émile Hermès SAS, should be treated as a forced departure.

The Supervisory Board therefore considered that the deferred compensation commitment made to Mr Axel Dumas complied with the requirements of the Afep-Medef Corporate Governance Code.

In its November 2018 report on corporate governance and Senior Executive compensation, the AMF recommends that the Board carry out a regular review of the components of compensation that may be due at the time of or subsequent to the departure of a Senior Executive and that it questions the possibility and desirability of compliance with new Code provisions.

**Provisions of the Afep-Medef Code excluded for other reasons**

None

**Explanations**

### Corporate governance award

True to the values of the craftspeople and the authenticity of its craftsmanship model, Hermès is committed to seeking quality in all domains and is constantly reinventing itself in a spirit of continuous progress.

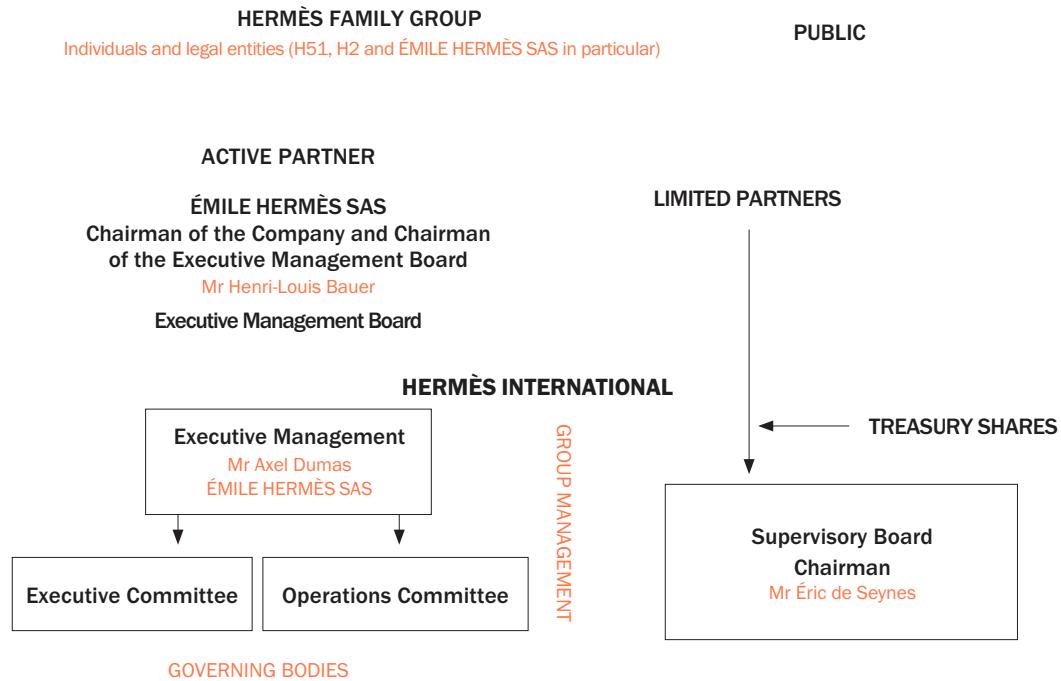
Since 2009, the Grand Prix de la Transparence, now known as the **Transparency Awards**, have rewarded the quality of regulated information of French SBF 120 companies. The objective of these awards is to enable issuers to measure their performance each year in terms of transparency and to identify market best practices.

The Transparency Awards are based on the criteria of accessibility, accuracy, comparability, availability and clarity of information in each company's key media (universal registration document, finance website, notice of general meeting brochure). An independent Scientific Committee ensures the neutrality and fairness of the ranking. It is composed of nine personalities from organisations and associations representing users of the information. The Transparency Awards are also certified by Bureau Veritas Certification. This certification validates the approach, the exclusive and scientific methodology, as well as commitments to fairness and progress for all company information. These awards recognise the work of all the House's teams who contribute to the production of regulated information.

- ◆ 2024: “**SBF 120” Transparency Award** Winner (All categories)
- ◆ 2023: Winner of the “**CAC Large 60**” (CAC 40 and CAC Next 20) **Transparency Award** and nominated for the “ESG Information”, “Universal registration document” and “Notice of meeting” awards
- ◆ 2022: Winner of the “**SBF 120” Transparency Award** (All categories) and nominated for the “ESG Information”, “Universal registration document”, “Website” and “Notice of meeting” awards
- ◆ 2021: Winner of the “**CAC Large 60**” (CAC 40 and CAC Next 20) **Grand Prix de la Transparence** and nominated for the “All categories” and “Website” awards
- ◆ 2020: Winner of the “**Notice of meeting**” **Grand Prix de la Transparence**
- ◆ 2019: Nominated for the “Clarity of the registration document” award
- ◆ 2018: Winner of the “**Best progress**” **Grand Prix de la Transparence**

## 3.2 AMBITIOUS AND BALANCED GOVERNANCE

### 3.2.1 ORGANISATIONAL STRUCTURE OF HERMÈS INTERNATIONAL AS AT 31 DECEMBER 2024



### 3.2.2 TWO TYPES OF PARTNERS

Hermès International was converted into a *société en commandite par actions* (partnership limited by shares – SCA) by a decision of the Extraordinary General Meeting held on 27 December 1990, in order to preserve its identity and culture and thus ensure its sustainability over the long term, in the interests of the Group and all shareholders. This singular legal form, whose capital is divided into shares, brings together two types of partners:

#### **The Active Partner (Émile Hermès SAS) – § 3.3.1**

The Active Partner Émile Hermès SAS is involved in the operation and organisation of the Company. It has structuring powers.

##### **Powers:**

- ◆ determining for the Group: (i) strategic options, (ii) consolidated operating and investment budgets, and (iii) proposals to the General Meeting for the distribution of share premiums, reserves and retained earnings;
- ◆ approving the decisions of the General Meeting of Limited Partners (except those falling within their own powers);
- ◆ appointing or dismissing the Executive Chairmen;
- ◆ establishing the compensation policy for the Executive Chairmen;
- ◆ authorising all significant transactions (loans, guarantees, investments, etc.) when their amount exceeds 10% of the Hermès Group's net consolidated financial position;
- ◆ formulating recommendations to the Executive Management on all issues of general interest to the Group;
- ◆ proposing the appointment or dismissal of members of the Supervisory Board.

Émile Hermès SAS has been the sole Active Partner of Hermès International since 1 April 2006.

The Executive Management Board of Émile Hermès SAS exercises the powers attached to being an Active Partner of the Company.

The Active Partner cannot participate in the vote on the appointment of members of the Supervisory Board at a General Meeting. The shares held in the Company are therefore removed from the quorum of the resolutions of the General Meetings concerned.

The Active Partner is jointly and severally liable for all the Company's debts, for an indefinite period of time.

In accordance with Article 26 of the Articles of Association, each year, the Company pays the Active Partner an amount equal to 0.67% of the distributable profits.

#### **The Limited Partners (shareholders) – chapter 7 "Information on the Company and its share capital", § 7.2.2**

The Limited Partners or shareholders, who provide capital, enjoy limited prerogatives.

##### **Powers:**

- ◆ voting the parent company financial statements and the consolidated financial statements approved by Executive Management;
- ◆ determining the allocation of net income (including the distribution of dividends);
- ◆ approving related-party agreements;
- ◆ appointing the Statutory Auditors and auditors tasked with certifying sustainability information;
- ◆ appointing and dismissing the members of the Supervisory Board.

Any other decision of the shareholders is only valid if approved on the same terms by the Active Partner.

The law explicitly prohibits them from any interference in the Company's management, for any reason whatsoever, on pain of being liable under the same conditions as the Active Partner.

The liability of the shareholders is limited to the amount of their contribution.

Shareholders receive a share of the profits in the form of dividends.

The main Limited Partners are listed in chapter 7 "Information on the Company and its share capital", § 7.2.2.5.