

# 2019 UNIVERSAL REGISTRATION DOCUMENT

## CSR EXTRACT NON-FINANCIAL PERFORMANCE STATEMENT (NFPS)



# 2

## CORPORATE SOCIAL RESPONSIBILITY

NFPS

### PEOPLE: TEAMS

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### 2.2.1 CHALLENGE: THE WELL-BEING AND DEVELOPMENT OF EMPLOYEES

The durability of the House rests on the men and women who contribute to its functioning and development. It is therefore essential to create the conditions for their well-being and development. Hermès is very demanding when it comes to the quality of its employees' working conditions and strives to enable each employee to work, develop and fulfil his or her potential and to give meaning to his or her actions, not only by safeguarding health and safety, but also within a pleasant working environment, whether at production sites, in stores or in offices. Achieving this objective involves various initiatives to improve the quality of life at work and reconcile professional and personal life, and which are most demanding and vigilant in the areas of health and safety at work.

#### 2.2.1.1 POLICY

The Hermès Group's policy is to integrate health, safety and well-being challenges in its operational strategy as a priority, in particular for its manufacturing activities. This policy is applied by the top management of the Group's métiers and subsidiaries. Social dialogue is a priority and is organised in each country according to local laws and regulations. In addition, faithful to its family tradition, the House involves all its employees in the Group's long-term growth through generous programmes. As regards employee benefits, all employees are protected against the major risks of everyday life. Benefits cover the risks of mortality (accidental and all other reasons) and long-term illness, but also medical and maternity care, and retirement.

#### 2.2.1.2 MEASURES IMPLEMENTED AND RESULTS

The diversity of the Hermès Group's métiers, from sales to production, to support functions, involves managing extremely different issues. Consequently, the Group's vision of health, safety and working environment issues involves adapting to the specificities of its activities and to local differences.

Hermès is very well ranked by Glassdoor during these two years (1st and 2nd employer respectively, according to the employee satisfaction).

In 2018, the Group human resources department launched a Health and Well-Being initiative based on a review conducted through an internal survey amongst all employees on a multi-year basis in France. The questionnaire, designed by the INRS (National Institute for Research and Safety) and the University of Lorraine, enables employees to anonymously express their feelings on various topics relating to physical and mental health, stress, the work environment, activity and organisation.

In 2019, 13 sites were involved in this approach, representing over 3,800 employees, who participated actively in this survey with a response rate of 83%. This response rate is very high and reflects high employee satisfaction.

More specifically, 88% of employees stated that they enjoy their work, and 82% stated that they are happy at the Company. In addition, 83% said they envision themselves being in the same position in two years with a similar level of health. A sizeable majority believes that the content of their work (81%) and employment relationships (89%) play a role in their sense of satisfaction. A large majority finds interest, usefulness and variety in their work, and are satisfied overall with the responsibilities they are given. Since the initiative began, 24,600 verbatim accounts on employees' likes or dislikes in their jobs have been recorded. The content of the duties is the chief asset when it comes to attachment to their work: employees like their jobs and often speak passionately about them. The areas for improvement cited relate to workload, the physical environment and fatigue, for example. Nevertheless, two-thirds of physical environment situations received satisfactory ratings.

Since the initiative was launched in 2018, a total of 6,292 employees at 21 sites have taken part, representing 66% of the workforce in France. Similar initiatives have also been rolled out in Europe, China, the United States and Japan. A total of 2,889 employees in these four geographical areas also had the opportunity to share their opinions on all topics relating to health and well-being at work. These questionnaires were sent to a total of 64% of the Hermès Group employees.

Following this diagnostic phase, the French sites set up an Observatory of Health and Well-being at Work. This determines the priorities and lines of work and coordinates the action plan via working groups, working with the Management Committee and the Health, Safety and Working Conditions Commission (CSSCT) (Commission Santé Sécurité et Conditions de Travail) of each site. The work themes selected locally are varied: time management, fatigue and physical well-being, warming-up/stretching, hazard management, repetitive strain injury (RSI), emotion management, communication, etc. Recurring themes that may fall within the Group's field of action have been identified and are dealt with in parallel on a collegial basis. Long term, this Observatory remains a reference point in the prevention and identification of risk situations relating to health or well-being. Similar approaches of analysing well-being at work, explained below, are carried out within our retail subsidiaries.

For a number of years, Hermès has also developed a policy to prevent workplace accidents, occupational illnesses and repetitive strain injury, as well as an active policy to maintain employment and prevent people being unable to work, based on a number of awareness-raising campaigns (nutrition, physical activity, etc.).

Lastly, in order to prevent the risk of road accidents during business or personal travel, a Group program has been prepared to set up a multi-year plan of practical training and awareness-raising workshops being rolled out in France.

### Industrial activity

Since 2003, the industrial affairs department has been leading a Health, Safety and Environment (HSE) network comprising HSE managers from the House's different *métiers*. With around 20 members, this network meets several times a year to set targets, share results and learn about best practices in each of the *métiers*.

The main actions of the House's various *métiers* are described below. They go beyond simple regulatory compliance whenever necessary to aim for true well-being at work. Each *métier* has specific needs as regards working conditions, so it is logical for each one to create its own particular arrangements.

The *métiers* conduct their actions within a budgetary framework, but any useful improvement in occupational health and safety conditions, and also for environmental issues, is financed off-budget if necessary. As the Hermès Group produces 61% of its objects in Hermès exclusive and internal workshops, these actions have a significant impact on the entire value chain.

### External controls

Since 2002, HSE audit cycles at the various units have been conducted by a specialist external consultancy, spread over three years. The fifth cycle started in 2018. These audits check the regulatory compliance and assess the safety culture of each site. Audits are also conducted at the time of construction or acquisitions, enabling full coverage of Hermès' industrial assets over the three-year period. The information system deployed on the sites for the Hermès Group's environmental reporting is also used to coordinate the follow-ups to these audits and monitor changes in environment, health and safety regulations, with the assistance of a specialist external body.

### Leather Goods division

The Leather Goods division has the objective to make its production units safe places, supporting tradition, excellence in *savoir-faire* and innovation. The resources enabling employees to work safely, perform their duties over the long term, and protect their health are a priority within each site.

The division's senior management meets each quarter to discuss issues of health and safety at work. It guides strategy on priority topics, encourages local initiatives and validates the actions of central coordination. An external body audits the degree to which the production units have adopted a strong health and safety culture in accordance with Maison Hermès' own guidelines.

An HSE manager is appointed at every Leather Goods division production unit. This manager monitors the progress plans defined with his management in accordance with the Leather Goods & Saddlery divisions' policy. The HSE manager deals with everyday occupational Health and Safety matters, working closely with the cross-functional teams (maintenance, occupational health, etc.).

Central coordination ensures the consistency of the improvement plans carried out by each production unit and establishes priorities. It provides material support to the actions carried out on site, selects experts when their participation is needed, and monitors changes in regulations and technical innovations. It develops and distributes shared training, reporting and regulatory compliance tools.

In order to structure the approach, a Health and Safety at the Workplace roadmap was developed by the Hermès Group management and is based on six strategic areas for 2018 to 2022:

- ♦ eliminate any risk of serious injury;
- ♦ comply with regulations;
- ♦ protect employees' health in the long term;
- ♦ aim for zero accidents;
- ♦ take care of employees' well-being;
- ♦ make workplace health and safety culture a permanent consideration of employees.

With this in mind, 26 action plans, covering all leather goods workshops, were piloted in 2019.

One of the priorities of this roadmap is the fight against repetitive strain injury (RSI). Among the 2019 initiatives, it is worth highlighting the roll-out of new tools to reduce physical stress in strict compliance with *savoir-faire*, as well as the implementation of an innovative protocol using new technologies to measure the bio-mechanical impact of each gesture made by craftspeople on a daily basis. For the second consecutive year, the ergo-motricity module, whose objective is to better prepare the body and to accompany the demands inherent in the specific activities of the saddler and leather worker, was used and given to 890 craftspeople. For the record, there are assistance systems (exoskeleton) in place in some workspaces that require it.

Moreover, in 2019, special attention was given to the prevention of workplace accidents linked to interventions by outside companies on leather goods sites. New methodologies were developed and more than 75 Leather Goods & Saddlery division's employees were trained through a two-day module.

Among the many actions implemented to protect the health of employees and external workers, individual support by a network of partner physiotherapists is offered to craftspeople suffering from detrimental pain or discomfort in their professional or personal life, within a preventive or corrective framework. In 2019, more than 1,150 craftspeople followed these individualised programmes with convincing results from the measures taken, both objective (i.e. physiological), and more subjective (such as the level of pain felt by the craftspeople before

and after the programme). As an example, the craftspeople who followed this programme saw an average 16% increase in the range of motion of their shoulders.

A long-term occupational health approach has been built with a network of experts at national level, through a training module introduced in 2015 called "A Body for Life" which aims to disseminate a better understanding of one's body. This module was given to all craftspeople at the production units and to the employees of the support functions (more than 3,800 employees). It constitutes the founding step in a commitment to healthy living every day. Each new employee joining the Leather Goods & Saddlery division follows this module: 234 people took this module in 2019.

Several local events allow employees to get involved in health and safety issues. For example, a "Health & Well-being" week was carried out at the three production units of the Franche-Comté division, focusing on three areas: Prevention, Nutrition and Physical Well-being, with 10 different workshops (yoga for eyes, SOS hands, vitamin boost, nutrition, etc.) presented to all employees. At the production unit in Sayat, a health day included a shiatsu workshop, a conference on sleep, screening for visual impairment issues, and a round table on diet.

In addition to these *ad hoc* events, the leather goods sites provide financial support and offer daily initiatives to encourage employees to exercise and to foster their well-being. For example, stretching and muscle-building courses, the provision of masseurs (leather goods site in Nontron) or the organisation and constitution of teams to take part in local sporting and charitable events. Equally, each leather goods site offers muscular awakening sessions or compensation exercises at the start of and during work.

Lastly, actions to improve the machine fleet, which began in 2014, are continuing, with noise reduction as a major objective. Working closely with manufacturers or suppliers of equipment, the central teams are revising the systems for noise reduction at source to ensure greater acoustic comfort in the workshops. In 2018, a soundproofing system for digital cutting equipment was introduced on the Pierre-Bénite site, making it possible to reduce the ambient noise level, for the artisan cutter, by 7 dBA in the spectral bands between 1,000 Hz and 4,000 Hz. In 2019, it was rolled out in five other leather goods sites.

Workbench lighting, which contributes to reducing the visual fatigue of craftspeople, and thermal comfort management in workshops are also two issues central to the concerns of the Leather Goods division's workshops and benefit from substantial investments.

#### **Tanning and Precious Leathers division**

For several years, the sites have been working to improve health and safety conditions, and many initiatives have already been undertaken, in line with workplace risk assessments. These actions are overseen by dedicated Environment, Health and Safety (HSE) officers at each production site, with the support of Site Managers. All of the data is shared within the division, and joint improvements are implemented at the instigation of the industrial department.

To coordinate cross-division duties, quarterly meetings among the HSE managers of the tanneries are held at the division's sites or at other Hermès sites. These meetings are a chance to discuss regulatory updates and share best tanneries practice. Lastly, since 2017, French sites have been appointing external advisers in the safe transport of hazardous goods. They are responsible for helping prevent risks to people, property or the environment.

Many annual risk-prevention training sessions were delivered across the sites, to complement regulatory training: chemicals handling, movement and posture, workplace first aiders, fire drills and emergency evacuation exercises with the fire services, and improved inductions for new employees.

These training sessions complement the risk prevention initiatives carried out by site management teams as well as the various initiatives to improve working conditions carried out during the year. By way of example:

- ◆ improved workspace ergonomics with modifications to production equipment (e.g. mechanically driven dry hide hooking and unhooking devices) or testing of exoskeletons in order to facilitate the carrying of loads;
- ◆ roll-out of long-term occupational health programmes with "Pro RSI" approaches (Repetitive Strain Injury), in collaboration with regional Carsats (*Caisse d'Assurance Retraite et de la Santé au Travail*), and training modules by physiotherapists on the prevention of RSIs;
- ◆ improved machine fleet safety;
- ◆ improved air collection, extraction and renewal mechanisms in the workshops;
- ◆ reduced noise pollution in workspaces;
- ◆ regular communication campaigns on site;
- ◆ improved safety on sites when renovating buildings.

This year, all tanneries continued to optimise the management of chemicals and the substitution of certain substances in order to not only take into account but in particular to anticipate future developments REACH (Registration Evaluation Authorisation and restriction of CHemicals) regulations, POPs (persistent organic pollutants), biocides, etc.) as well as programmes to measure employee exposure to certain chemical agents.

In addition, performance criteria for occupational health and safety at work are included in the tanneries' incentive scheme agreements in order to underline their importance and to support team motivation.

#### Farms (United States and Australia)

Actions relating to environmental, health and safety issues are steered by local management teams, assisted, if necessary, by specialist consultants. They also benefit from the expertise of the Tanning and Precious Leather division's industrial department.

Furthermore, in order to strengthen the safety culture and the prevention of occupational risks on livestock farms and processing sites, external audits with specialised consultants and the widespread roll-out of "safety moments" by management were introduced in 2019.

During the year, livestock farms continued their work on assessing occupational risks, creating operational instructions, training employees, designing work and storage areas, managing chemicals, formalising controls or holding meetings to raise awareness of HSE issues.

#### Textile division

2019 was a year for the sector to consolidate the changes initiated since 2017. The new organisational structure puts the office manager and local coordinator at the core of HSE projects, thus allowing everyone to be an actor and driver of progress at their own level and take on HSE topics and champion them with confidence. In order to strengthen this organisation, the workforce has evolved, with two new nurses at Société d'Impression sur étoffes du Grand-Lemps (SIEGL) and for ITH/HTH as well as the appointment of an HSE officer for the HTH establishment.

HSE network half-days are organised every six months to bring together HSE coordinators and Site Managers to discuss progress and difficulties and share any new strategic directions. During these meetings, the establishments assess their level of adherence to the HSE charter for the sector in order to determine future priority areas of work.

The sector's HSE charter enables sites to have a clear vision of the key rules and fundamental values to be developed in order to improve their performance in terms of safety and the environment. It is based on four fundamental pillars:

- ◆ strengthening and anchoring the HSE culture through training days for Management Committees and establishment managers, and by workshops to exchange ideas with teams. Various complementary actions have been implemented within the establishments: safety information points, integration of Health and safety criteria into incentive scheme plans, display of best practices, postures and golden rules;
- ◆ risk management and control: the sectoral prevention plan was reviewed and improved in 2019. It is based, notably, on chemical risk assessment software used on all sites in the sector, audits carried out by an external firm, the involvement of insurers who also participate in risk anticipation, and an external consultant for the transport of Hazardous Materials. Training or awareness-raising activities were provided during the year and the sector offers awareness sessions on life-saving gestures to employees other than Workplace First Aiders;

- ♦ control of regulatory compliance: monitoring the compliance of equipment and machinery in the sector was the priority for 2018/2019. In September 2018, all site directors and maintenance managers were brought together to set up a joint action plan for the long-term monitoring of the upgrading of this equipment. The first stages of the project took place in the first half of 2019: completion of an exhaustive and shared inventory, drawing up of all control reports by an external body, identification of any anomalies. The second phase consists of dealing with each of the possible cases of non-compliance and drawing up a single equipment tracking document. More broadly, a monthly digital newsletter on regulatory changes and significant innovations has been developed with the HTH monitoring unit and is distributed to all HSE players;
- ♦ RSI prevention (Repetitive Strain Injury): the sector works with physiotherapists and ergonomists who have made a major contribution to the development of workspaces (assistance in handling printing frames at Ateliers Gandit, redevelopment of storage and picking areas at ATBC and Créations Métaphores, modification of schedules and optimisation of production flows at the AEI site). Numerous other local initiatives have made it possible to limit employee exposure and improve the ergonomics of their workspaces (handling equipment and trolleys, tracks, hoists, posture review, height-adjustable desks, etc.).

#### Home

At CATE, as part of a renovation project at the Nontron production unit in Périgord, all activities were transferred to a temporary site. When the activity resumed after the move, a new HSE reception desk was set up for all employees to support the change.

At Beyrand, the global HSE action plan, implemented in 2018 to update the main regulatory files, was continued with various measures aimed at strengthening safety in terms of fire protection, compliance of the machine fleet, improvement of individual and collective protective equipment, and highlighting of risks.

Furthermore, a new "Inkjet on Leather" printing line was set up in 2019 with strong HSE support, from the development work stage (prevention plans, partial asbestos removal, declaration of modification to an ICPE – Installation Classified for Environmental Protection) to the launch of production (machine specifications and compliance, job descriptions and operator certification).

Among the priorities and actions carried out by the *métier* in 2019 to continue to improve health and safety conditions for its employees, it is worth highlighting the following:

- ♦ development of the HSE culture: through numerous actions to mobilise management and train operators;
- ♦ RSI prevention (Repetitive Strain Injury): continuation of work to improve workspace ergonomics, and RSI risk training in all of the division's companies;

- ♦ limiting the exposure of employees to hazardous chemicals: research into substitute products (study launched at Beyrand on screen cleaning solvents during printing operations, significant reduction in ethanol consumption in the finishing division workshop at CATE), improvement of storage in accordance with the recommendations of the insurer and ICPE regulations (Beyrand), air quality monitoring campaigns (at Beyrand, as a result of measures taken since 2017, employee exposure levels have been significantly reduced to an average of around 10% of the Occupational Exposure Limit Values), as well as chemical risk training on the shop floor (CATE).

#### Cristallerie

Management's commitment to health, safety and the environment is formalised in a policy. In 2019, HSE topics at the Cristallerie Saint-Louis were coordinated by a safety facilitator, a nurse, an environmental engineer, and a technical Health, Safety and Environment manager.

In 2018, the Cristallerie Saint-Louis launched a diagnostic process with the help of an external consultant. This diagnostic involved all the company's employees and the conclusions were submitted at the end of 2019. It resulted in the preparation of a roadmap that will be rolled out in 2020.

Several initiatives to improve working conditions were implemented. The most significant are the renovation of the composition workshop, the renovation of the "paperweight" workshop, the installation of ergonomic workspaces for packaging customer orders, the improvement of restrictive and repetitive operations in the hot-part sector, assistance in carrying loads and the reduction of lead exposure. A "lead committee" was set up on this theme, made up of workshop managers, members of the Health, Safety and Working Conditions Committee, the HSE team and the company's management. As regards the regulations relating to arduous working conditions, production units are still affected by the "alternating shift work" factor, in particular the fusion workshop and the tailoring workshop.

The update of the chemical risk assessment of the production units made it possible to specify the level of exposure of certain homogeneous exposure groups (HEG). A sampling campaign carried out in June revealed the positive results of the actions previously carried out and made it possible to identify additional actions to be implemented (vacuuming of workspaces in the "hot-part" workshop, optimisation of process settings, suction dedicated to the "cold-part" sanding workspace, new operating instructions for raw materials from the composition workshop, etc.).

#### Perfumes

In 2018, CNP began to set up an integrated management system (IMS) based on ISO Quality, Safety and Environment standards in order to improve the reliability of risk assessment and control in all departments of the organisation. This IMS is supported by the industrial department of CNP and brings together all employees around a common company project. As part of its implementation, 15 employees were trained on the IMS (ISO 9001, 14001 and 45001) and BPF (Best Manufacturing Practices) standards and the audit methodology, with the aim of acting as internal auditors.

The main actions carried out in 2019 were the definition and communication of a QSE policy associated with objectives defined according to four pillars: the quality of products and services, the quality of life at work, the safety of installations and transportation, environmental concern.

As every year, all employees underwent training in the handling of fire extinguishers. In addition to annual refresher courses, an initial training session was held to recruit new Workplace First Aiders.

The launch in January 2019 of a new activity (the cosmetics workshop dedicated to the production and packaging of bath products), was accompanied by work on topics related to BMP (Best Manufacturing Practices) requirements, in particular on flows (materials and personnel) and changing and hygiene measures. All employees were trained in these new rules.

Actions to promote well-being at work include: the launch of an initiative to improve the quality of life at work for all employees through a survey on psychosocial risks and disorders. This work will lead to the organisation of focus groups and proposals for action. CNP has also embarked on the development of a Mobility Plan aimed at analysing current employee practices and reducing and optimising the use of private cars by proposing alternative solutions (provision of five electrically-assisted bicycles, participation in the setting up of a future inter-company car-sharing platform). To improve everyone's comfort, soundproofing work was carried out in the company kitchen and restaurant, the floor of the perfume packaging workshop was covered with antistatic tiles, and a changing room with air lock and a communication area were added.

Among the health and prevention actions, the nurse has set up seated massages and, as a tobacco addiction specialist, offers personalised support to employees who wish to stop smoking.

Furthermore, CNP continued its efforts to improve existing facilities with regard to the Atex risk (explosive atmospheres) and the ventilation of premises, to reinforce sprinkler installations and to modify the Fire Safety System.

**The Jewellery division**, faced with strong growth, has launched a major project on workspaces to invent new ways of working and creating, while prioritising quality of life at work, health and safety.

### Retail operations and other functions

#### Support

In order to promote a better balance between personal and professional life and to ensure the right to disconnect, an awareness-raising campaign entitled "Find time – making good use of e-mails and meetings" was rolled out in France. Based on a communication kit, this approach aims to help define common communication methods, rethink the format of meetings and allow everyone to save time. Aware of employees' housing difficulties, Hermès signed a national agreement in 2019 with "*Mieux loger vos salariés*" (Better housing for your employees). Various

measures are offered to employees in order to provide the best possible support for their daily work. At Pierre-Bénite, a concierge service has been making life easier for the Leather Goods and Textiles divisions' employees for several years. At Hermès Femme, "Friday Free Time" continued with 10 monthly sessions open to all employees on a variety of themes (philosophical and cultural conferences, culinary workshops, yoga, massages, etc.), reaching a total of more than 500 participants.

#### Distribution

At Hermès Distribution France, a training module entitled "Balance and Energy", piloted by 27 employees, provides guidelines and fundamentals for understanding stress levels and identifying limits. In the same division, in order to promote relaxation among sales associates, 150 massages given by blind people were offered in seven stores. At the initiative of the subsidiary's sustainable development ambassadors, wellness briefings have been organised in certain stores (initiation to meditation, breathing exercises, stretching, etc.).

In Spain, an internal study analysed the operating methods of the stores and headquarters to identify the levers for a better work/life balance, and resulted in the granting of two additional days of leave.

Massages were also introduced in December at Hermès Benelux Nordics to support the heavy workload inherent to this period.

In Germany, an occupational health programme is rolled out through various actions.

Within Hermès Distribution Europe, a Europe-wide commitment survey led to the creation of working groups on various topics. A right to disconnect campaign is also being rolled out there. Organic and seasonal fruit baskets are also offered regularly.

Hermès Of Paris, in the United States, as part of a global vision of well-being, ensures physical, mental and financial fulfilment through various yoga programmes, meditation, self-defence classes, flu shots, and a "health fair" in New York (nutrition, aromatherapy, ergonomics, fruit and teas, massages, mini-seminars, etc.). In October, a month dedicated to the health and well-being of employees, the subsidiary co-finances any individual action taken in this regard.

In Japan, all employees have a mandatory annual medical check-up (exceeding regulatory requirements). They were also asked to participate in two surveys. The first was on their commitment to work (94% response, 718 employees) and the second, already conducted in 2018, on managing stress in the workplace (98% response). Yoga classes are offered in many departments and relaxation areas have been introduced in offices.

#### Construction

In 2019, the Hermès Group initiated a process aimed at gradually providing all occupied buildings with air quality that guarantees concentrations below the levels recommended by the WHO in respect of the main pollutants.

In China, the Hermès stores in Shanghai IFC, Xiamen, Qingdao Hisenze Plaza and Harbin Charter are the first in the country to be equipped with systematic pollutant measurement systems and high-performance air filtration systems, enabling a reduction of approximately 90% in incoming particles.

In 2018, an office building in Paris was collectively redesigned. This new location was an opportunity to introduce a pro-active approach to “well-being”. The building houses 166 employees from the digital teams, sales departments, real estate, sustainable development, general services, the Fondation d'entreprise Hermès and Cultural and solidarity action.

The aim was to design the space in such a way as to make it a pleasure to come and work together in the offices, and to ensure that the building serves the organisation. Co-development workshops on well-being were held to:

- ♦ identify what the employees needed to feel well, and their answers showed that they expected warm materials, colour, spaces to meet, and unique spaces;
- ♦ define how furnishings could help them in their daily work and their responses called for more flexible, personalised spaces that respond to the diversity of uses, with particular attention paid to furniture and IT tools.

The aim was therefore to make offices a living space. In the HQE renovation-certified building, the refurbishment took into account:

- ♦ local sourcing, the furniture and fittings are made in France;
- ♦ the use of recyclable materials, including wood from the fair trade sector;
- ♦ eco-actions: responsible management of energy (LED lighting, presence detectors) was put in place with general affairs department, together with waste sorting and collection, a “zero paper” approach facilitated by shared printers, and recycling (with some office accessories designed from leather recovered offcuts).

In order to make the collaborative approach comprehensive, a feedback questionnaire was distributed among users five months after installation. Overall, 90% of employees expressed general satisfaction with the new workspaces, 84% were proud of their new spaces, and 93% considered that the objectives had been achieved.

### Organisation of working time and schedules

Each entity manages its working time in compliance with the applicable regulations and on the basis of the particularities of its own activity, in an effort to balance private/professional life, in particular by implementing variable working times for French entities. Ninety-five percent of employees worldwide work full time; there are 779 part-time employees. The Hermès Group respects working-time limits and minimum breaks for the various activities and in line with local regulations.

Various working time flexibility schemes have been established. For example, for leather goods, (47% of the workforce in France), craftspeople organise themselves at each workshop according to flexible schedules. Many production units benefit from flexible working hours,

giving employees more versatility, for example allowing parents to pick up their children from school (Sayat). These time slots are extended in the event of external constraints (heatwaves, strikes, etc.).

Agreements on flexible working hours (Beyrand) and the introduction of individualised flexitime (Hermès Commercial) have been signed. At CATE, it is possible to accumulate working hours to benefit from additional days off. In addition, an agreement allows senior employees and people with disabilities to be exempted from overtime.

In order to take into account the impact of staggered working hours at certain production sites, a Sleep and Food training course has been provided at ATBC. Following the introduction of 2x8 working shifts, group feedback with an occupational psychologist was encouraged at AEI.

Given that 84% of employees are either craftspeople or work in stores, teleworking is less significant than in other industries. It is examined on a case-by-case basis, according to need, particularly in France. In Switzerland, teleworking is regularly used by half of the employees at headquarters, within a limit of three days per month. In England, teams also benefit from home office opportunities.

At Hermès Of Paris, all employees with more than 10 years' seniority are now eligible for five weeks' vacation.

In Asia, subsidiaries such as Hermès Asia Pacific encourage employees to take time off and ensure that they do not accumulate overtime. A “Well-being” program is also offered to employees there, as well as in Taiwan. In South Korea, annual training is provided to limit the risk of burnout. Bearing witness to this, Hermès Asia-Pacific was awarded the “Caring Company” for the second year by the Hong Kong Council of Social Service in recognition of its socially responsible employer practices.

In Japan, working hours are monitored monthly and employees whose cumulate too much working hours are offered an appointment with the subsidiary's doctor. Relaxation rooms have been set up at the Tokyo headquarters, and a relaxation room was set up this year at the Tokyo Shinjuku Isetan store. Employees are encouraged to take time off work, with a minimum they must respect.

### Social dialogue

It is Hermès' policy to constantly ensure that it implements and guarantees both qualitative social dialogue and freedom of expression for its employees. This involves both collective bargaining and daily participation by employee representatives in various projects and is essential to the functioning of the Hermès Group's various companies.

In France (62% of employees), social dialogue is organised on a company-by-company basis, through representative bodies and through agreements signed each year. In other countries, dialogue takes various forms, depending on local customs and regulations. The Hermès Group's code of ethics confirms Hermès' commitment to the conventions of the International Labour Organization (ILO), especially with regard to the freedom of association. In all the countries concerned, the policy is to ensure that the principles of freedom of association and collective bargaining are implemented, in compliance with local regulations. Hermès does not interfere with these fundamental employee rights.

With regard to retail operations, labour relations are supervised internationally by Human Resources Directors in the regions (or countries, depending on the size of local markets), who ensure compliance with these principles, local regulations and the application of the Hermès Group's code of ethics.

In France, social dialogue is expressed first and foremost through the annual meeting of the Group Works Council, which fosters discussion with employee representatives and representatives of the five national trade unions present in the Hermès Group. This meeting enables dialogue and the sharing of results from the previous year and the outlook for the coming years. Furthermore, a Social Dialogue Monitoring Committee (France) was set up in 2008 pursuant to the agreement on social dialogue and the exercise of union rights within Hermès Group companies, signed in 2008 by all of the representative trade unions.

In 2019, in addition to its annual meeting, this committee met several times to engage with the Hermès Group's labour relations department as part of a process to renew social dialogue. The aim of this initiative is to better support employee representatives in the exercise of their mandate in order to make them known and recognised partners. After initially working on the barriers and levers related to the various mandates, anonymous questionnaires drawn up on an equal footing with the members of the Social Dialogue Monitoring Committee were sent to all employee representatives (full and alternate representatives), managers of representatives and a panel of employees. The results of these questionnaires will make it possible to set up working groups in early 2020 to provide answers to the concerns and difficulties identified. All of these proposals will serve as a basis for the discussions undertaken in the framework of the renegotiation of the Hermès Group agreement on social dialogue and the exercise of trade union rights. Meanwhile, all companies concerned set up their SECs (Social and Economic Committees) on December 31<sup>st</sup> 2019, taking into account the reality of the organisation of the various divisions or sites. This tailor-made approach has made it possible to structure things differently according to the needs and social and operational realities of each entity. The Social and Economic Committee has replaced the elected employee representatives in the Company. It merges all the employee representative bodies, Employee Delegates, Works Council and the Health, Safety and Working Conditions Committee.

Social dialogue in France is also nourished by the annual meeting of the Reflection and Exchange Group on Healthcare Costs, a forum for dialogue set up on a voluntary basis to allow constructive exchanges on the balance and evolution of the healthcare cost regime applicable within the majority of the Group's companies.

In the various French companies, social dialogue also involves permanent employee representative bodies and a robust and active collective bargaining process. Collective agreements have been signed in all companies that have trade union delegates. As a result, in France in 2019, more than 100 agreements and amendments were signed (including a Group agreement on setting up a purchasing-power bonus) on topics as varied as salary enhancement, incentive schemes, flat day rates and the right to disconnect, gender equality, and the establishment and functioning of Social and Economic Committees (SEC).

The vitality of social dialogue at Hermès was recognised on June 28<sup>th</sup> 2019 by the Ministry of Labour during a day-long event dedicated to "Successes in social dialogue". On this occasion, which was devoted to highlighting innovative agreements, Hermès was invited to speak with its union representatives about the innovative and empowering way in which its Group agreement on Disability was negotiated with all of its trade unions.

### Sharing economic values

#### Compensation

The Hermès Group's employees compensation policy is ambitious and is based on a wide range of individual and collective compensation tools. This policy includes both short-term items and benefits, through fixed salaries, individual and collective bonuses, paid holidays and profit-sharing, and long-term items and benefits, such as employee shareholding plans granted to all Group's employees worldwide, as well as post-employment benefits (retirement benefits, supplementary pension schemes, etc.). Hermès' employees compensation policy is part of the fight against forced labour, by systematically complying with the requirement to issue a pay slip at regular intervals, explaining all legitimate deductions, and prohibiting the payment of recruitment fees paid by employees regardless of their location in the world.

Compensation levels within the various entities mainly reflect the skills and *savoir-faire*, level of responsibility and the needs of the subsidiaries and the local employment and compensation markets.

The Hermès Group's policy, both in France and abroad, is that all its employees should receive compensation that is at least equal to the local minimum. This is the case whenever required by law, and at the discretion of each country's Director of Human Resources when this is not the case.

Every year, the Hermès Group provides its subsidiaries with budgetary guidelines for compensation growth that take into account both inflation and changes in compensation levels in local markets. Particular vigilance with regard to compliance with the principle of gender equality and possible discrepancies with the market (internal and external) is systematically recommended for the performance of salary reviews. Specific budgets are granted if adjustments are necessary.

Hermès is committed to rewarding employee performance at both the collective and individual levels, and the development of variable compensation at both levels in recent years reflects this commitment.

Moreover, in 2019, the Hermès Group wanted to recognise the contribution of all employees to its excellent results on a daily basis through additional and exceptional measures:

- ♦ a general revaluation of €100 gross per month was granted to all 8,800 French employees; and
- ♦ an exceptional bonus in support of purchasing power amounting to €1,000 was paid to all eligible employees within the meaning of the French law, according to the agreement signed with the labour partners;
- ♦ eligible employees of foreign entities also benefited from equivalent measures with the payment of a bonus of up to €1,300, implemented in accordance with local customs and legislation.

| <i>In millions of euros</i> | 2017 | 2018 | 2019 |
|-----------------------------|------|------|------|
| Total payroll               | 639  | 695  | 777  |

The Hermès Group's payroll (excluding profit-sharing and incentive schemes) was €777 million in 2019, compared with €695 million in 2018, plus €242 million in social security charges.

Payroll costs (excluding exchange rate impact) reflect increases in both workforce and salaries in all geographical areas.

#### Profit-sharing and incentive schemes (France)

Since 2012, a special profit-sharing agreement signed with all of the representative unions has enabled all employees of the companies in France to be associated with the profits of the Hermès Group in a harmonised manner.

Incentive agreements are also in place at each French Group companies. These agreements, concluded for a period of three years, aim to involve employees in the development of locally-determined indicators that are relevant with regard to the activity and environment of each of these entities, notably quality, safety and productivity, as well as sustainable development objectives.

In France, €87.3 million was distributed in incentive and profit-sharing schemes, and €3.2 million in employee support activities, compared with €81.6 million and €3.5 million in 2018 respectively.

| <i>In millions of euros</i> | Incentive schemes | Profit-sharing | Total |
|-----------------------------|-------------------|----------------|-------|
| 2017                        | 26.1              | 44.6           | 70.7  |
| 2018                        | 33.4              | 48.2           | 81.6  |
| 2019                        | 34.2              | 53.1           | 87.3  |

Employees of foreign entities (38% of all Group employees in 2019) also benefit from a range of regular additional compensation initiatives in line with performance and local customs.

The compensation paid to Corporate Officers is shown in chapter 3 of this document.

1. Subject to fulfilling the eligibility criteria, in particular in terms of seniority.  
2. Condition of uninterrupted seniority on the date of grant.

#### Other employee benefits

Hermès, the vast majority of whose employees work in OECD countries, applies at the very least regulations on working hours and minimum wages in compliance with ILO conventions.

In addition to the fixed and variable compensation paid to employees, the Hermès Group provides health insurance and welfare benefits not only in France but also in other countries where it operates.

In 2019, the Hermès Group put a comprehensive maternity policy in place, which includes maintaining full basic pay for at least 16 weeks' maternity leave and covering 100% of maternity-related healthcare costs.

In terms of social protection, the Hermès Group's policy is to encourage the implementation of voluntary coverage that supplements the required legal schemes, based on local market practices.

Furthermore, several years ago, Hermès set up a supplementary defined-contribution pension plan under a collective agreement for all eligible employees<sup>1</sup> in France. This plan enables employees to build up individual savings for retirement. It represents a total volume of €6.7 million in contributions, over 90% of which financed by the employer.

In addition, for the Hermès Group as a whole, as detailed in Note 28 of the consolidated financial statements, the Group's total commitment in terms of post-employment and similar benefits was €288 million in 2019.

#### Employee shareholding plans

Faithful to its family tradition and wanting to involve all employees worldwide in the Group's medium- and long-term growth, Hermès has historically implemented several employee<sup>2</sup> shareholding plans, notably free share plans in 2007, 2010, 2012 and 2016.

The desire to recognise the commitment of employees, who are key to the success and outreach of the House, by sowing the seeds of its long-term success and cultivating the exceptional *savoir-faire* preserved and developed within the Hermès Group, led Executive Management to decide to set up a fifth free share allocation plan on July 1<sup>st</sup> 2019 (pursuant to the authorisation granted by the Combined General Meeting of Shareholders of May 31<sup>st</sup> 2016, in its 15th resolution). Under the 2019 collective plan, each eligible employee<sup>2</sup> throughout the world thus received rights to free shares.

All of these plans send a single message to employees worldwide and their objective is three-fold:

- ♦ 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 our growth, enabling employees to identify more closely with the long-term Hermès growth decisions;
- ♦ to consolidate the strong links between the employees and the House.

Moreover, the free share allocation plans implemented in 2019 were aimed at more than 13,000 Group employees across all of the House's entities around the world and involved a total of 500,544 shares. In order to promote, on the one hand, the loyalty of employees over the medium and long term, and on the other, collective performance, these plans are accompanied by:

- ◆ vesting periods of at least four years;
- ◆ conditions of presence;
- ◆ performance conditions (for a portion of the allocation).

The Hermès Group's ambition is to continue to associate all its employees in a unique way with its corporate project by strengthening employee shareholding with the award of five free share plans since 2007. The vast majority of employees who become shareholders through these employee shareholding plans keep their shares well beyond the mandatory vesting and holding periods (in France, where applicable). At the end of 2019, more than 80% of employees held rights that were vesting. Accordingly, they continue to be involved in the Hermès Group's governance and operations over the long term, in a spirit of mutual trust with the House.

### Sharing corporate values

A pillar of Hermès' coherence and uniqueness, this desire to share values, which strengthens the sense of belonging and enhances understanding of the business model, is driven by three main challenges: facilitating adherence to the corporate project, informing and enriching the employee experience, bringing the culture to life and driving collective dynamics.

#### Facilitating the adherence of employees to the corporate project

Hermès International designs a number of internal communications initiatives with the aim of mobilising people around a vision of transformation and accompanying projects in the craftsmanship and retail divisions, as well as in the *métiers* and support functions. On these important occasions, recognition of each individual's contribution is emphasised, thereby reinforcing pride in belonging to the Hermès Group. Some 2,500 French employees were brought together in this way in Paris in June for a Forum H.

In March 2019, the Hermès China Forum brought together 500 employees from North Asia in Chengdu to share the Group's 2018 review and its development ambitions, as well as the region's major achievements and projects.

In 2019, a seminar in Athens brought together more than 200 people involved in the creation and collections' development. The aim was to unite them around Hermès' vocation as a creative house and around the new challenges in the collection development process.

#### Support

Each month, Hermès Commercial offers "Les Mardis d'Hermès Commercial" lectures on topics related to the division's activity in order to closely involve the teams. A quarterly plenary session provides an opportunity to present the division's results and to highlight current projects. Within the division, programmes such as "Discovering Hermès Commercial" and "Logistics from A to Z" give employees a broader view of the activity in which they work. The division also hosted 22 people from Hermès Distribution France teams for a day.

Every year, Hermès Services Groupe invites all its employees, i.e. over 200 people, to the "Printemps des Services" seminar, an important opportunity to share the life of this division, whose mission is to make life easier for operational departments by offering them a wide range of services. In addition, Hermès Services Groupe shares information with its employees through quarterly plenary meetings.

#### Craftsmanship and métiers

In 2019, the Leather Goods & Saddlery division celebrated the laying of the first stone of the Maroquinerie de Guyenne, the 30th anniversary of the production unit in Pierre-Bénite, and the 100th anniversary of the Ganterie de Saint-Junien, in the presence of one or more members of the Executive Committee and the division's Management Committee. In the Textile division, which organises an annual luncheon for new managers, Holding Textile Hermès celebrated the laying of the first stone of the Passerelles project, a programme to redesign the premises dedicated to the teams in charge of running the sector in Pierre-Bénite. Ateliers AS took advantage of the *Fête des imprimeurs* to celebrate the seniority of 33 employees. Furthermore, two internal newsletters promote the sharing of information with employees: "*Papier de Soie*" for the ITH site, which brings together the companies Gandit and SNC in Bourgoin Jallieu, and "*L'imprimé des terres froides*" for SIEGL. Within the Tannery division, the Tannerie d'Annonay allows craftspeople in the shoes of another craftsman to discover their *métier*, thereby fostering discussions and mutual understanding of the other's world. In Montereau, the tannery and the new leather goods site work closely together to streamline information channels. The managers of the Montereau and Vivoin workshops regularly travel to their respective sites to nurture their expertise and practices. Every month, Hermès Femme brings all employees together for a general information meeting. The subsidiary also organises a monthly luncheon for new employees to meet with the managers of the *métiers*. Lastly, an annual day to share and explore the division's *métiers* brings together all of the employees. The Perfumes division ensures that internal information flows smoothly, in particular through three annual information meetings. The end of 2019 was marked by a meeting in Paris with all Pantin and Vaudreuil employees, a total of approximately 400 employees. Twice a year, the Watches division brings all its employees together in Bienne to present its strategy, projects and events, and new product launches. In addition, the subsidiary publishes the newsletter "*Au fil du temps*" twice a year, distributed to all employees. The Hermès Chaussures Italie site, a 4,000 m<sup>2</sup> workshop dedicated to the development and production of prototypes and samples of shoes, as well as the manufacture of certain models, was inaugurated on June 19<sup>th</sup> and welcomed 80 members of the Hermès family in October. The team at the petit h division celebrated its 10th anniversary together in Paris. Finally, the Home division brings the teams together every six weeks for a communication morning.

#### Retail

In France, Hermès Distribution France employees participate in Opentime@HDF, a quarterly event that offers a time for dialogue and cultural openness for all, with conferences followed by discussions. Hermès China organises four meetings a year to launch in-house projects, celebrate the two traditional Chinese festivals and thus cultivate a sense of belonging. Members of the employees' families are also involved in the life of Hermès through "H Family Day": for the second edition, in 2019, 200 participants in Shanghai attended a festival of

music played by employees. Hermès Asia-Pacific has set up the “HR in Touch” programme, which enables each member of the human resources team to experience sales to gain a better understanding of the retail métiers, and to be available on the ground to answer employees’ questions. Hermès Asia South encourages exchanges between store managers through the “H Change” programme, through which they can enrich their practices by drawing inspiration from those of another team or market, while enhancing their own experience of retail and team leadership. The “Happy culture” internal communication system is designed to recognise the loyalty of employees who have been working directly with customers for more than 10 years. In 2019, 37 employees were celebrated.

Every month, the Hermès GB subsidiary brings its employees together for a “What the Hermès?” breakfast during which each department informs the others of what it is doing.

The annual Hermès Of Paris meeting was held in New York over a day and a half. It brought together 700 employees from all over the country for a moment of sharing and celebration. Particular attention was given to people who were newly hired or promoted during the year.

Hermès Italie’s Hermès Day brought together 165 employees for a day that was entertaining, cultural and focused on the subsidiary’s results, with discussions on the present and the future.

Hermès Russia maintains close ties with its employees through round-table discussions with the sales teams.

**Bringing culture to life and animating collective dynamics**

Each year, 80 craftspeople from the different divisions in France are invited to discover the new collections presented at “podium” (an internal trade show attended by all the store managers and the métiers presenting their collections). This is an opportunity for them to develop their understanding of the House, complemented by a visit to the Conservatoire des Collections Hermès, the Collection Émile Hermès and the Faubourg Saint-Honoré store.

In March, 800 employees from the Paris region, as well as horse-riding enthusiasts from sites in the provinces, were invited to the Saut Hermès and were able to attend the first rounds of the competition.

In December, 2,500 French employees were invited to a large party at the Centre Pompidou. It was an excellent way to bring people together and recognise their achievements. On this occasion, 124 employees were celebrated for their 25, 30, 35 or 40 years’ seniority in the House (long-service medals).

**Informing and enriching the employee experience**

It is key for Hermès, in a context of strong growth that risks leading to compartmentalisation of departments, divisions and subsidiaries, to foster and cultivate cross-functionality through exchanges within activities to ensure quality relationships are forged between people and that the work they undertake is meaningful. These events, communication resources and networking operations concern all métiers.

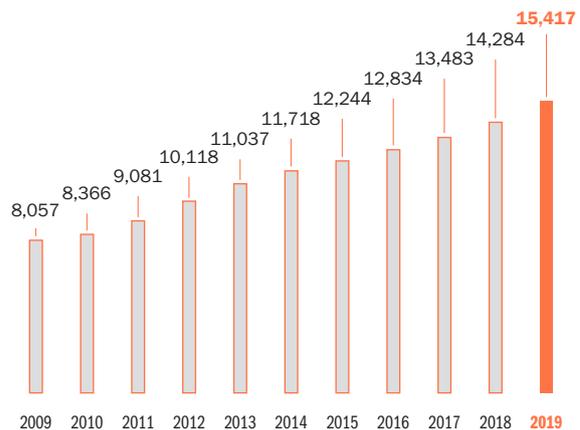
HermèsSphère, the intranet launched in autumn 2018, has spread the news of its arrival widely. This entry point enables more rapid access for employees to tools that save time and boost work efficiency. As a place that presents the Hermès Group’s organisation, métiers and professions, it helps to integrate new hires. News articles are published there every day in order to involve employees in the life of the House in real time. With the launch of the Mobile Application in January 2019, access to HermèsSphère has been expanded. A registration portal has been made available to craftspeople, who are gradually discovering the platform.

In 2019, Hermès of Paris also joined the HermèsSphère ecosystem with the introduction of local editorial content aimed at American employees.

Lastly, newsletters published to keep employees informed of their subsidiary’s latest news include Hermès Iberica’s quarterly newsletter *Hpeople* and Hermès Australia’s *Flash* real-time service.

**2.2.1.3 RESULTS**

The workforce within the Hermès Group includes active permanent staff members and people on fixed-term contracts of more than nine months, including apprenticeship contracts. The permanent active staff represents 95% of the total workforce. Increasing by nearly 91% over the last 10 years, the Group’s global workforce totalled 15,417 people as at December 31<sup>st</sup> 2019.



**Employment**

The Hermès Group created a net 1,133 jobs in 2019, including 676 in France. As has been mentioned, the Production sector saw the most growth, with the creation of 481 additional jobs (323 in 2018), in order to increase production capacity and to protect *savoir-faire* and sources of supply, closely followed by the Retail sector, with 388 additional jobs created (310 in 2018).

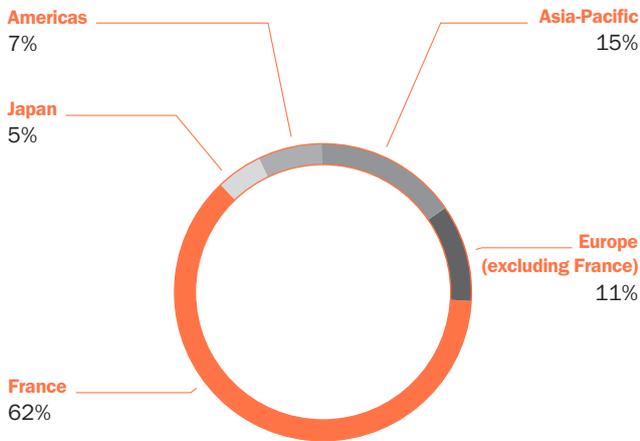
Employment creation was significant in existing production regions, particularly in the South-West, Savoie Dauphiné and Franche-Comté divisions, where two new leather goods facilities were opened.

The last 10 years have not required the Hermès Group to undertake any restructuring efforts for economic reasons that had any consequences with regard to jobs. During development operations (site construction), any transfers were on a voluntary basis. In France, individual redundancies involved 193 people in 2019 (91 in 2018).

The seven new stores in Tokyo Niigata Isetan (Japan), Orlando (United States), Phuket Floresta (Thailand), New York Meatpacking (United States), Xiamen (China), Stuttgart (Germany) and Warsaw (Poland) contributed to headcount growth in 2019.

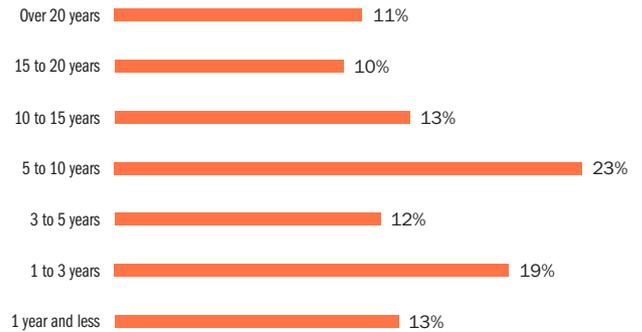
Hermès ambition is to ensure jobs security recruiting as much as possible permanent contracts. Concerning employee turnover, the total number of dismissals represented 1.3% of the Group's average global headcount.

**BREAKDOWN OF JOB CREATIONS BY GEOGRAPHICAL AREA**



**Seniority pyramid**

Average seniority is nine years and 44% of the Hermès Group's total employees have been with the Group for less than five years, resulting from fast growth in recent years. The Group encourages the development of skills and long careers. More than one-third of the staff have been with the Group for more than 10 years.



**Absenteeism (France)**

In France, the absenteeism rate was 4.1% (4.1% in 2018). Absenteeism is calculated using the accumulated hours of absence for the following reasons over a period less than or equal to 90 consecutive days: illness or occupational illness; absence as a result of a workplace or commuting accidents; and unjustified or unauthorised absences. Changes in absenteeism are systematically monitored and analysed by entity in order to identify causes and propose action plans. Return-to-work interviews are one of the tools that HR departments use for improvement. This type of measure helps to encourage dialogue and to better understand the causes of the absence while respecting medical confidentiality. Managers are also trained in managing returns to work based on the type of absence, which is a key element for limiting their frequency. Moreover, this monitoring system has led certain companies to establish short- and medium-term objectives with regard to absenteeism. These objectives are accompanied by initiatives focusing on an improvement of working conditions, development of versatility or manager training regarding the management of absenteeism. As such, the adopted measures include communication, awareness-raising and prevention actions (vaccinations, presence of a doctor on the sites, etc.), but also control, in order to increase the accountability of the employees and managers. Moreover, based on the demographics of certain sites, specific actions have been implemented in order to support maternity under the best possible conditions. These specific action plans consist, for example, in adapting workspaces, or putting in place preventive measures aimed at enabling pregnant women to remain in employment, if they so wish, until the start of their maternity leave (see gender equality chapter 2.2.2.2).

### 2.2.3 CONTRIBUTION TO THE UN'S SUSTAINABLE DEVELOPMENT GOALS (SDGs)

People are critical to our sustainability project and the initiatives conducted by the Hermès Group. They help to publicise the following SDGs (the numbers refer to the UN's official typology):



#### No. 3: Good health and well-being

- ◆ 3.8: “Achieve universal health coverage”.  
The House’s employees have access to health coverage and social protection based on each country’s regulations and practices. This coverage is the subject of a specific reflection and discussion group on healthcare costs. This body, set up on a voluntary basis, enables constructive discussions on the balance and development of the healthcare cost regime applicable in the majority of the Hermès Group’s companies. Lastly, in addition to the fixed and variable compensation paid to employees, the Hermès Group also offers health insurance and welfare benefits, not only in France but also in the other countries where it operates.
- ◆ 3.9: “Reduce the number of deaths and occupational illnesses”.  
In addition to our HSE activities (as a reminder, all industrial sites are in OECD zones subject to strict regulations), the management of indicators relating to health, safety and absenteeism led to the introduction of training programmes on well-being and health, or the prevention of RSIs (repetitive strain injuries), in order to prevent and reduce the impact of occupational illnesses.



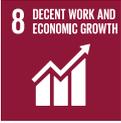
#### No. 4: Quality Education

- ◆ 4.5: “Eliminate gender disparities in education and ensure equal access, including for people with disabilities”.  
Helping people with disabilities access and retain employment is a major issue. With the signature in France of a Group agreement for 2018-2020, Hermès set itself the ambitious goal of increasing its use of socially supported organisations by 20% per year. This target was met in 2019. As part of social dialogue in France, an agreement was signed on gender equality in 2019. In addition, during salary reviews, compliance with the principle of equality is systematically executed. Lastly, specific training in diversity management has been provided since 2017.



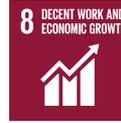
#### No. 5: Gender equality

- ◆ 5.1: “End all forms of discrimination against women”.  
Women represent an important part within the Hermès Group (68% of employees). At Group level, women managers represent 61% of employees.



### No. 8: Decent work and economic growth

- ◆ 8.5: *“Achieve full and productive employment and guarantee equal pay for work of equal value”.*  
The Hermès Group contributes to job creation, especially in France. The Hermès Group strives to guarantee equal pay by taking into consideration each person’s positioning in relation to their peers (level of responsibility, male/female). They are also linked to the Hermès Group’s growth, by means of the allocation of free share plans. The rate of full-time employment is 95%.
- ◆ 8.6: *“Promoting the employment of young people”.*  
Partnerships and agreements with schools make it possible to recruit future employees, while welcome sessions for schoolchildren and students within the various entities are opportunities to present the diversity of the *métiers*.



### No. 8: Decent work and economic growth

- ◆ 8.7: *“Ethics and fundamental commitments to human rights and labour organisation”.*  
The Hermès Group has defined and monitors the implementation of uncompromising standards and practices on these subjects.
- ◆ 8.8: *“Health and safety at the workplace”.*  
Hermès is very vigilant on these subjects, and implements a health and safety policy overseen by the HSE network. The production facilities, in the OECD area, are very demanding on these topics. Surveys have been carried out as part of the well-being approach, in collaboration with professionals, so that employees can express their feelings on the related themes. The results are used to set up corrective working groups.

Comprehensive annual report:  
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application/098b0de969efabaace34b1a1c43e2a72.pdf](https://finance.hermes.com/var/finances/storage/original/application/098b0de969efabaace34b1a1c43e2a72.pdf)

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