

2019 UNIVERSAL REGISTRATION DOCUMENT

CSR EXTRACT NON-FINANCIAL PERFORMANCE STATEMENT (NFPS)



2

CORPORATE SOCIAL RESPONSIBILITY

NFPS

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2.3.1 CHALLENGE: RECRUITING TALENTS

To grow, Hermès needs to be able to strengthen its teams in all métiers in the short and medium term, from craftspeople, sales associates and producers to experts in cross-functional functions, namely IT, supply chain, finance, human resources, legal and digital, etc. In the coming five years, Hermès' workforce could increase from more than 15,000 to 20,000 employees and the Hermès Group is preparing for this scenario.

In this context of sustained growth in activity, the House's sustainable development rests on its ability to recruit people who will be able to express their talents throughout their careers. Their profiles, expertise and *savoir-faire* will be essential in supporting the House's development. That is why Hermès pays particularly attention to relationships with schools and keeps a very close eye on recruitment. The goal is to enable new recruits to fit harmoniously into the Company's long-term project and contribute effectively to its activities.

2.3.1.1 POLICY

Recruitment is managed by each métier and subsidiary to ensure the perfect match with the local context. The policy for recruitment and relations with partners is defined by the holding company. In France, it also manages relationships with schools, communication and pooling of recruitments. In this way, the Hermès Group hopes to make applicants more aware of the métiers and the uniqueness of the House, attract candidates who believe in the business model and its values and will then be able to select the best profiles, capable of feeling at home within teams for a long time.

2.3.1.2 MEASURES IMPLEMENTED AND RESULTS

Employer brand

Hermès' image given as an employer is as important as the one transmitted by its objects, stores and services. The employer brand serves to attract the best applicants, who will make a lasting contribution to the House's development.

In 2019, Hermès gave its employer brand a new identity. In tight job markets in most of the countries where Hermès operates, the challenge is to strengthen its visibility and better enhance the sources of its attractiveness. That is what allows Hermès to grow and also to change. Driven by the success of its collections and growth in demand, it needs to be able to keep pace with the increase in the activity.

That is why the new employer brand identity conveys the message “All artisans”. The aim is to express the idea that all Hermès employees embody an artisan spirit, one that contributes by the creation of a beautiful object with humility, passion and the love of fine work to making customers’ dreams a reality. This identity places the value of the men and women of Hermès in their authenticity, while highlighting the fact that they create objects crafted from high-quality materials. In addition to the two main channels – the Hermès career site and the Hermès LinkedIn page – communication materials have been developed to promote the new employer brand in school forums, recruitment fairs and applicant interviews.

A two-week nationwide communication campaign was rolled out in France in the autumn of 2019, with the ambition of enhancing Hermès’ appeal as a recruiter of talent, as well as its legitimacy as a creator of social value. It was aired in the national press through double page spreads in *Le Monde* and *Le Figaro*, but also in the regional daily press (*Le Progrès*, *La Montagne*, *l’Est Républicain*, *Sud-Ouest* and *Normandie*) to highlight the Company’s local roots. The campaign was also widely aired in the Facebook and LinkedIn social networks and in targeted media in the areas of News, Business, Culture, Entertainment and Music through video clips. It generated nearly 6,200 clicks on LinkedIn and attracted more than 473,600 unique visitors, a good performance spurred by the videos, which received a high level of engagement.

Throughout 2019, Hermès managed its presence on LinkedIn in a selective but more intensive way, through 86 posts. This resulted in the doubling of the number of followers, from over 285,500 to more than 475,750, over the year. The year’s posts dealt with such subjects as the opening of manufacturing sites, store openings and renovations, recruitment events, relationships and partnerships with schools, initiatives for the disabled and more. LinkedIn was behind more than 1,800 recruitments in 2019. The number of applications received via the network rose to more than 276,800 (up from nearly 153,000 in 2018). Lastly, the Hermès LinkedIn page logged more than 432,800 visits (up from nearly 309,200 in 2018).



In December 2019, Hermès once again ranked among the best employers, coming second in Glassdoor’s rankings, the sole representative of the luxury industry. This ranking (Glassdoor) covers companies with more than 1,000 employees and more than 20 employee reviews on each of the eight attributes. A mark of recognition of

the quality of working life in the Company in terms of management, pay, applicant experience and benefits, Glassdoor is a job platform widely seen as the “Google for jobs”, which aggregates the job offers of certain job boards and corporate career sites. Created to share authentic employee experience, Glassdoor collects the opinions of current and former employees on companies and the opinions of candidates on job interviews.

Hermès also received the prize for the best employer, raking third in the luxury industry – in the Epoka-Harris Interactive ranking prepared with input from students and young graduates. Lastly, Hermès Australia was named “Best Retail Employer of the Year” in the Retail world.

In 2020, Hermès will continue its employer communication initiatives with events on a larger scale aimed at facilitating a dynamic recruitment activity.

An initiative revolving around five pillars has been mapped out and involves articulating the employer promise, which is backed by tangible elements and benefits for candidates.

Relations with schools

Hermès maintains close relationships with the world of education, driven by both its duty as a responsible company contributing to the training of young people and the need to welcome young people to round out their classroom training with practical experience.

The House opens its doors to many classes of students to let them see the workshops and a store and to give them an overview of Hermès in order to promote and underscore its reality as a responsible employer.

Relationships with schools are focused mainly on art schools and those teaching the artisan *savoir-faire* that has a place at Hermès, but on a very broad spectrum taking into account the diversity of activities and *métiers* practised within the Hermès Group.

This approach also symbolises the House’s determination to maintain a close dialogue with the rising generations. Work will continue to nurture these relationships. The Hermès Group’s materiality analysis also involved these representatives of future generations. Lastly, the screenings of the *Empreintes sur le Monde* (Footsteps across the world) series of films is a special time for intergenerational exchanges.

Support

In 2019, Hermès continued its partnership with HEC. This gave rise to numerous initiatives, including presence at a student forum in March, a student-led study on meaning at Hermès, an assignment offered to students of the Entrepreneurs Master’s programme and participation in a panel.

The partnership with Sciences Po Paris also continued, resulting in practical meetings with students with disabilities, the recruitment of interns and work-study students.

Local initiatives including a human resources/Manager breakfast with students of the Finance Master’s programme and events held for students of the Marketing and Communication Master’s programme gave body to the House and helped share living testimonies of our actors.

Sponsorship of the IAE Gustave Eiffel Innovation Luxury and Design Master 2 programme was the opportunity to open the doors to a class of 30 students, allowing them to discover the Pantin leather workshops and the Faubourg Saint-Honoré store and to interact with alumni of their school now working at Hermès.

The Group artistic department team maintains close links with leading art schools in their respective fields. It uses practical initiatives to pursue the goal of identifying young talents for future collaborations and supporting them in their learning journey through case studies and by opening up the world of Hermès creation to them. In 2019, a group of students from the Penninghen school in Paris was tasked with conjuring up a “Dream showcase and showcase dream”, consisting of creating a season’s decorations for the windows of the George V Store in Paris. Students from the Accademia Belle Arti also designed display cases called “The sky in the room” to mark the Milan International Furniture Show. In 2019, students from the same school proposed “The dream collector” display cases for the Venice store to mark the Art Biennale. Students from Ecal in Switzerland worked on the design of watch faces, sponsored by graphic designer Philippe Apeloig. A proposal for a communication event was imagined by students from the Colbert Chair-ENSAAMA.

Craftsmanship and métiers

Hermès was present at the Forum CentraleSupélec in Paris with the aim of presenting its manufacturing division and its more than 55 production units – 43 of which in France – and enhancing the attractiveness of the careers that can be offered to engineers in this industry-come-artisan universe. Job and internship offers aroused great interest. In addition, a group of managers held a half-day for first year students at Centrale Paris, giving them mini case studies. The session’s aim was to give students a window on to the multidisciplinary nature of the world of business and the design of products and services, and to make them aware of the scientific and technological barriers around processes (innovation, design, production, logistics, etc.).

The Leather Goods & Saddlery division is continuing existing partnerships and forging new ones with vocational schools Jean Rostand (Angoulême), Boismard (Brionne), Casanova (Givors) dating back 30 years, Boudard (Montbéliard), Desaix (Saint-Eloi les Mines) and a new CFA in Bordeaux (Le Vigeon in Eysines). It has opened a professional baccalaureate in leather goods with the Flora Tristan vocational school in Montereau to promote new leather goods creation. A professional certificate featuring a cutting option has also been launched at the lycée Jean Monnet in the Paris region. It also took part in the local Savoie-Dauphiné system of the Local Business Schools Committee organised with two lycées in Bugéy. In Franche-Comté, a qualifying training course in cutting was created in partnership with École Boudard.

The Leather Goods & Saddlery division also supported the Manufacture programme piloted by the Fondation d’entreprise Hermès, which aims to introduce children and adolescents to the *métier* of crafts by showing them how to manufacture an object in several stages. This support was reflected notably in talks by craftspeople to several middle and senior school classes in the Paris region, Lyon and Franche-Comté, and by the

hosting of classes on certain sites of the Savoie-Dauphiné, South-West and Franche-Comté divisions.

The textile division maintains close links with the lycée Aubry, ITECH, the Cepitra textile school, lycée La Martinière Diderot, lycée André Paillot and ENSAIT.

The Tanning and Precious Leathers division has approached the IUT Chimie du Mans to launch a Young Tanning Technician Programme and ITECH to present the Young Tanner Programme, a 24-month course to integrate young chemical engineers, broken down into four sequences of six months, in four different tanneries.

As part of the partnership undertaken by the Perfumes division – at the instigation of Christine Nagel – and École Supérieure du Parfum, a creative project was entrusted to the 38 fifth-year students of the “Creation and Management of the Perfume Industry” Master’s programme. The chosen theme was “When the world of selective perfumery goes green: (re)invent the world of perfume of tomorrow!”

Hermès Femme contributed to the overhaul of the IFM/Haute Couture Syndical Chamber’s programmes for fashion workshop *métiers*.

Crystallerie Saint-Louis continued its collaborations and partnerships with training establishments preparing students to work in the artisan *métiers* of crystal glass making (lycée Jean Monnet in Yzeure, lycée Dominique Labroise in Sarrebourg, European Centre for Training in Glass Arts in Vannes le Châtel), notably by hosting students on internship and apprenticeship contracts.

Retail

To hire reinforcements for the summer and the end-of-year festive season, Hermès Distribution France holds collective recruitment sessions. These sessions, held in unique venues, are also an opportunity to present the House and the subsidiary, its values and its history, and to offer an opportunity for networking between the applicants and the store teams. In 2019, events held in Paris, Nice and Lyon resulted in the recruitment of 67 seasonal employees. The subsidiary also took part in the recruitment forums of the Essca, Ieseg, Isefac and IFM management schools.

The Retail division, international by nature, carries out various initiatives with students around the world. Hermès of Paris has established a partnership with the Luxury Education Foundation, a non-profit organisation that offers exchanges and meetings with industry leaders. The Foundation works closely with Columbia Business School, Parsons School of Design and the Hong Kong University of Science and Technology. Hermès Mexico has established a partnership with IES de Moda and Casa de Francia to offer internships to some students and recruit others.

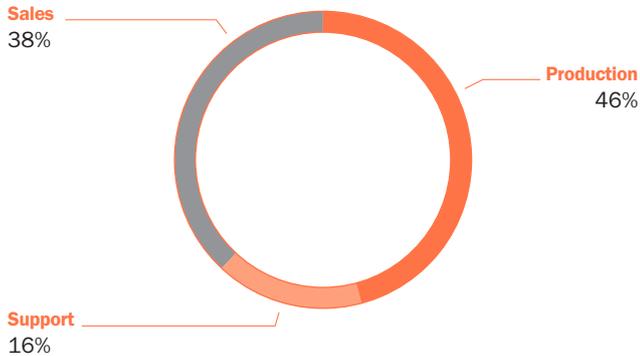
Hermès GB has established a four-day programme consisting of bringing in eight students to familiarise them with the subsidiary, its activity and its stores.

Hermès Asia-Pacific welcomed 50 students to a job campus, which helped fill sales positions.

Recruitment

When recruiting, a particular focus is placed on the personality of the candidate: a sense of teamwork, a spirit of curiosity, a commitment to quality and attention to results are key criteria because they play a determining role in the future employee's ability to bring something to the corporate project while participating in the strong team spirit that informs the internal experience.

RECRUITMENT BY SECTOR



Recruitment activity was particularly strong in 2019.

The careers website was revisited in 2019 to adopt the new employer brand identity:

<https://www.hermes.com/fr/fr/story/221096-hermes-employeur/>. In 2019, 2,019 job offers were posted (up from 1,710 in 2018), testifying to the vitality of activity, in which 888 permanent employment contracts and 1,131 fixed-term employment contracts, work-study contracts and internships were proposed. The site registered more than 175,500 applications in 2019 (up from nearly 150,000 in 2018). 826 hires – all jobs combined – were made *via* the website (compared with 721 in 2018).

The Hermès employer site attracted more than 677,000 visitors to the offer pages in 2019, up from nearly 535,000 in 2018, an increase of 27%.

Support

Hermès Commercial organised collective recruitment sessions for interns and work-study students for the customer services department, a first *Handi'matinale* collective recruitment session in a spirit of inclusion and collective sessions to recruit logistics operators. The human resources department, in charge of recruitment for Hermès Sellier and several subsidiaries in France, also established collective recruitment sessions to select and recruit trainees and work-study students.

The Hermès IT systems department recruited more than 40 people in 2019, notably through a recruitment campaign designed to attract scarce profiles in a market experiencing hiring difficulties.

Several subsidiaries are revisiting the way they hire people in order to create a sense of closeness and firmer bonds with applicants and to establish the relationship in a shorter time.

Craftsmanship and métiers

The Leather Goods & Saddlery division took part in several fairs and forums, including the Charente recruitment forum, the recruitment fairs in Evreux and Val-de-Reuil, Bugey Expo, the Pont-de-Beauvoisin job forum, the World Trades Fair in Lyon, the Art Trades Fair in Belley and Portes du Cuir in Saint-Junien.

Collective recruitment sessions accompanied the hiring of trainees for the Leather Goods division's Central Services.

The Textile division launched a Provisional Management of Jobs and Skills process dubbed "Outlook" to prepare for the 109 departures anticipated by 2022. It features project structuring, individual interviews with each potential retiree, data analysis, a support plan and early recruitments to ensure transmission and tutoring. Two project groups are working to redesign the training course for Printers and to organise "quality control". They will entail 30 hirings by 2022.

The segment participated in the 1000 Entreprises pour l'Emploi forum in Lyon. Société Novatrice de Confection (SNC) participated in the Périgueux job forum.

Again in this segment, the engineers' incubator continues to recruit and train junior engineers, who are offered in-house immersion courses to ease them into fixed positions and prepare them to take over from future retirees.

The Perfumes division invites students looking for internships to Pantin twice a year. In 2019, 140 students immersed themselves in the universe and experienced the company's managerial culture first hand. Around 60 trainees were recruited in this way.

In its recruitment policy for craftspeople, Cristallerie Saint-Louis uses the services of Pôle Emploi to find staff living near the town of Bitche. After the pre-selection stages carried out by Pôle Emploi and then the human resources department, job seekers join the production unit for a period of immersion in the professional environment governed by an agreement with Pôle Emploi. This immersion allows Saint-Louis teams to assess the applicants' aptitude for the *métier* in terms of the requisite skills. For applicants, the process is a means of confirming their projection on to a new professional path. As of November 18th 2019, 25 agreements had been signed, leading to the signing of seven employment contracts.

Retail

To recruit reinforcements for the end-of-year holiday period and for the summer period in seaside resorts, Hermès Distribution France brought together shortlisted candidates in Paris, Lyon and Nice. Meetings of this nature are opportunities to identify future talents who could join the House.

Hermès Distribution Europe innovated by using the Easyrecrue tool to carry out on-demand video interviews, thus putting modern methods into practice. Language tests were also conducted by the tool Easyspeaking.



3 699

**jobs created in
the last five years**

Developing Talents to build tomorrow's Hermès

Hermès intends to facilitate the construction of rich professional and personal paths within the Group to bring out the leaders and managers of tomorrow. The challenge is to build the Hermès of tomorrow with the men and women of today.

Each employee has an annual performance appraisal. The Managing Directors of the subsidiaries and their Directors of Human Resources oversee the annual performance reviews, which are based on annual interviews that provide an opportunity to take stock of the past year and build the objectives for the coming year, especially in terms of training. The HR teams collect all of the roadmaps, on which the major points of the reviews are transcribed, and use them to put the training plan in place. In France, this update on employee skills and professional development takes place in the form of a professional interview, which by law must take place every two years. Hermès has chosen to conduct this every year and to discuss the subjects reviewed during the professional interview at the annual interview. The Director of Human Resources supervises the organisation of both interviews:

- ◆ the annual appraisal including performance reviews, the work environment, skills analysis and objectives for the coming year;
- ◆ the professional interview, to discuss medium-term perspectives with the employee (professional assessment, professional project, skills development plan and training).

In subsidiaries abroad, the annual interviews are conducted according to a process overseen by each subsidiary's human resources department, based on the guidelines given every year by the Group human resources department *via* a guide and other support materials for the annual interview of employees, managers and leaders. All interviews involve a moment of discussion and the joint completion of the document reporting on the discussion and covering the following aspects: the achievement of the targets, performance, the managerial relationship, work/life balance, ethics and compliance, training requirements and the targets set for the upcoming year. Certain subsidiaries (the United States, Japan, etc.) adapt the Group formats in keeping with cultural requirements. The support given to employees throughout their career is informed by these annual interviews. Once a year, the subsidiaries also organise a Careers Committee, in which the Management Committees share individual situations and stimulate in-house mobility, which is the first lever for employee development. The annual "Talent Reviews" are also a way of

learning more about employees and following their trajectories closely. This enables individual Executive development to be followed closely.

More specifically, the Group human resources department monitors the development of talents, in close cooperation with the divisional human resources departments, and offers a range of programmes for them, working closely with the divisional Directors of Human Resources. In 2019, the "Cavaliers" programme gave six groups of young talents the chance to reflect on a topic representing a strategic challenge defined by the Executive Committee. One of the themes submitted to participants in 2019 was "Hermès Green". The "Colbert Labo" was an opportunity for six young people to develop thinking with their luxury industry peers on "How to reinvent and enhance the profession of sales associate in a luxury house". A number of external programmes have been offered to more than 50 – including 37 in the "Eve" and "Octave" programmes rolled out by Danone – employees whom the House wishes to support on leadership issues in particular and in their personal development more broadly. For the second consecutive year, four employees were able to join the *Campus Formation Étudiants Entreprises* programme, which adopts the combined work-study approach to provide trainees with the digital skills necessary to support ongoing changes in areas including design thinking, project management, digital techniques and collaborative working. They will ultimately earn a Master 2 degree, thereby increasing their employability.

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

The Hermès Group's accomplishments in relation to "savoir-faire" are in line with the following SDGs. (The numbers refer to the UN's official typology):



No. 4: Quality Education

- ◆ 4.3: "Ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university".

Women have an important place within the House, representing 68% of the workforce. Access to vocational training for women and men within the House is encouraged by the in-house Ex-Libris University and internal schools for the *métiers*, as well as by more specialised external training.

- ◆ 4.4: "Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship".

Know-how is enhanced through training plans during the entire professional life and are reinforced by specific initiatives. Employees participate in both external contests (*Meilleurs Ouvriers de France* (Best Workers in France)) and internal challenges in order to achieve qualifications, so as to sustain existing savoir-faire and revive any knowledge that is declining. Hermès also provides support to schools through the apprenticeship tax, and by offering apprenticeships.

- ◆ 4.7: "Ensure that all learners acquire the knowledge and skills needed to promote sustainable development"

Raising employees' awareness of sustainable development takes place throughout the year. The outlines are instilled by the sustainable development department and relayed locally by the network of sustainable development ambassadors (HSE, SD committees, premises, etc.).



No. 11: Sustainable Cities and Communities

- ◆ 11.4: "Strengthen efforts to protect and safeguard the world's cultural and natural heritage".

Hermès is a house of creation that collaborates with many artists, thereby promoting the development of our creative heritage. Each collection involves the Artistic Director and the House's *métiers*, resulting in a profusion of creativity. These actions, recognised notably by the *Entreprise du Patrimoine Vivant* (Living heritage enterprise), contribute to the Hermès Group's efforts to protect and maintain artisanal savoir-faire. Moreover, the Fondation d'entreprise is committed to supporting live performances and contemporary photography.

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

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