A FRENCH MODEL OF CRAFTSMANSHIP THAT IS SUSTAINABLE AND CREATES VALUE

OUR ROOTS AND VALUES
An independent creative House since 1837, guided by the qualities of craftspeople: responsibility, authenticity and a long-term view. An integrated model of French manufacturing, which educates and develops its craftspeople in-house. The humanistic management of employees. Useful and long-lasting objects that combine functionality, aesthetics and high-quality materials, and are passed down from one generation to the next. A diverse product range reconciling creative freedom with the stores’ freedom of purchase. The determination to give back to the world.

UNIQUE HERITAGE
Savoir-faire heritage: Hermès protects and develops its often-unique craftsmanship savoir-faire through a policy of pro-active internal education and a spirit of transmission. Each generation refines and passes on its characteristic techniques, from saddle stitching through to the double-sided scarves.

CREATIVE HOUSE
+ 50,000 products

Creative heritage: Originally a harness workshop, Hermès has revolutionised riding equipment. With a unique Artistic Department driven by boundless creative freedom, the House is constantly designing new items and prints, while also innovating and revisiting its essential pieces.

HANDCRAFTED PRODUCTION MODEL

46% of employees in production

Exceptional materials: Rare leathers, precious fabrics... the House chooses only the most beautiful materials.

Exceptional production: Exceptional materials, expert craftsmanship techniques... The production units manufacture Hermès products with the utmost respect, according to the orders placed by stores.

LASTING PRODUCTS
Because Hermès objects are passed down through the generations, the House’s repair shops maintain them and prolong their lifespan.

EXCEPTIONAL OBJECTS DESIGNED TO LAST

Creative freedom: The designers sketch, innovate and revisit the House’s models with the greatest artistic freedom and without ostentation.

Purchasing freedom: The store managers choose the products to be proposed to their customers at fashion shows.

Exclusive distribution: Each store showcases a unique selection suited to its local market. The customer experience is unique, tailored with care.

EXCLUSIVE DISTRIBUTION

Operating in 45 countries

Retail heritage: Hermès takes a unique approach to developing its distribution network and digital flagships. Its artistic spirit gives rise to creative stores and window displays.

A FRENCH HOUSE WITH A GLOBAL REACH

43 production sites in France
- 2 sites in America
- 5 sites in Australia
- 5 sites in Europe
- 311 exclusive stores, including
  - 31 in France

80% of objects made in France
61% of objects made in our exclusive and internal workshops
62% of employees in France
92% of leather sourced in France and Europe
87% of sales sourced in France and Europe
**Economic**

Design and grow

- €6.9 bn in revenue
- 12.4% growth at constant exchange rates
- €2.3 bn in recurring operating income
- €478 m in operating investments
- €70 bn in market capitalisation as at 31 December 2019

**Social**

Value and transmit

- 15,417 employees in 2019, of which 5,200 are craftspeople
- 8 production sites opened in France since 2015
- Internal education schools for the craftsmanship and sales professions
- Leather Goods division: 82 trainers and 200 tutors educate the craftspeople in their new profession for 17 production units
- Hermès voted “2nd best Glassdoor employer in 2019”
- 54.2% of women in governing bodies

**Environmental**

Respect and preserve

- Over the last 10 years, decoupling of energy consumption (x1.34) and industrial water consumption (x1.9) from activity growth (x3.6)
- Offsetting of 100% of carbon emissions from production, administrative and logistics sites, and stores (scopes 1 and 2) with Livelihoods
- Collaboration with NGOs such as WWF (France) in the sustainable development of certain channels (leather, cashmere, wood, etc.)
- Nearly 100,000 repair requests per year
- 78% green electricity supply

**Societal**

Develop and participate

- Presence in 12 of the 13 French regions with nearly 80 sites (production units, stores, logistics sites, offices)
- 1 direct job created in a rural area indirectly leads to at least 1.5 other jobs
- 4 editions of Hermès at Work
- Organisation of unique events around the world (exhibitions, etc.)
- €40 m allocated to the budget of Fondation d’entreprise Hermès
- 76% of direct suppliers committed to a CSR policy

**Governance**

- Inclusion of CSR criteria in the variable compensation of the two Executive Chairmen
- A 5D committee every two months with two Executive Committee members
- Sustainalytics: 72/100 (outperformer)
- ISS-Oekom: C (prime threshold: C+)
- CDP: B (Carbon, Forest, Water. Sector average rating on Carbon: C)
- A CSR Committee within the Supervisory Board
- Contribution to 14 of the 17 United Nations SDGs
- Global Compact Advanced Level
- Signature of the Fashion Pact in 2019
- Positivity index: 75.6% (B+), CAC 40 average: 51%
- Internal and external ethics whistleblowing systems