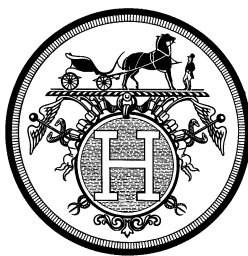


HERMES INTERNATIONAL
Société en Commandite par Actions (limited partnership with shares) with share capital of
€53,840,400.12; Paris Trade and Companies Register (RCS) no. 572 076 396
Registered Office: 24, rue du Faubourg Saint-Honoré 75008 PARIS



GENERAL MEETING OF 4 MAY 2021

WRITTEN QUESTIONS

On the occasion of a General Meeting, written questions may be submitted to the Company under the conditions defined by law. In accordance with applicable legislation, the answer to a question is deemed given when it is published on the Company's website. Answers to written questions must be provided by management.

On 19 April 2021, management received an email containing several written questions in anticipation of the 2021 General Meeting, from Forum pour l'Investissement Responsable ("**FIR**").

Please find below the answers from the Hermès Group to the written questions submitted by FIR.

Environment

- 1. What CAPEX amounts are scheduled through to 2025 to align with the Paris Agreement? How will these CAPEX be distributed across the value chain between maintenance CAPEX and growth CAPEX? How will they be distributed geographically?**

Answer

In 2020, Hermès committed to reducing its GHG emissions by 50% in absolute value on scopes 1&2, and by 50% in intensity on scope 3 by 2030, compared to the reference year 2018. Since 2018, the Group's total emissions have been reduced by 18%. The House has joined the SBTi (Science Based Targets initiative) which should allow us to confirm this goal by 2023.

Our business lines are already working on investment plans in order to achieve this goal, particularly through defossilisation of industrial energies. Already, at present, over 80% of the Group's electric power comes from decarbonised sources, and we aim to reach 100%. The Group is also working on energy efficiency solutions, particularly with a plan driven by the real-estate department (sites, offices and stores) for renovations or new buildings. The Louviers site, on which the ground breaking took place in 2020, aims to be the first energy-plus production site and to earn E4C2 certification (energy performance and GHG reduction). The Group is also continuing to set up renewable energy generation capacities (which equated to the consumption of three leather goods production sites in 2020). The Capex associated with these changes amount to several tens of millions of Euros per year, mainly

in France where the Group's production capacities are located (energy efficiency, change in the energy mix, technological innovation, etc.). Capex on stores, such as the switch to LED lighting for example, will be made in all the Group's geographical areas.

2. How do you limit the impact of biodiversity loss on your future revenue? Please specify the indicators and resources implemented.

Answer

The biodiversity strategy defined by Hermès in 2018 was updated in 2020 in the context of the "act4Nature International" initiative. This plan applies to the Group's operations in France (80% of production), and abroad (supply chain).

The four focus areas (train, cooperate, evaluate and act) aim to:

- guide the Group and its business lines in measuring the biodiversity footprint of value chains,
- jointly develop remedial and positive actions,
- support upskilling within the organisation.

They include precise commitments describing clear targets and the related timeframes.

When this biodiversity strategy was updated, Hermès also renewed the Group's individual commitment to Act4Nature International. The strategy and the targets it sets were therefore approved by a committee of stakeholders involved in the governance of this multi-party alliance (businesses, public authorities, researchers and environmental non-profit organisations).

In this context, the Group launched a diagnosis of its biodiversity footprint in 2020 with the assistance of WWF and CDC Biodiversité, based on the Global Biodiversity Score (GBS) assessment, which studies the Group's entire value chain according to the different drivers defined by IPBES (Intergovernmental Science-policy platform on biodiversity and ecosystem services), the equivalent to IPCC for biodiversity. This assessment will identify the areas in which the Group's footprint is the most significant, in order to roll out a comprehensive and rational action plan, both to protect biodiversity and secure resources.

In addition, Hermès undertook risk analyses on the impacts of climate change on its activities, including impacts on biodiversity. These analyses are based on eight operational scenarios and will be used to improve the Group's resilience, by identifying metrics and their impacts on the activity.

In parallel, the Group has commitments in the context of scientific partnerships with leading organisations, including SOABC (Ostriches), Icfa (crocodiles), Cambridge University (Silk), and WWF (water footprint) to gain insight into and work on the question of biodiversity related to these sectors and our activities. On a more local scale, the leather business line has launched a biodiversity diagnosis and action plan aimed at covering 100% of its sites by 2030.

- 3. How are you preparing for the reduction in certain natural resources and difficulties in procuring your strategic resources? How does this affect your business models and how do you secure your supply chains?**

Answer

Raw materials management is one of the six pillars of the Group's strategy. The sustainable development of Hermès relies on the use of exceptional, natural and renewable raw materials to manufacture durable goods. They are procured with the aim of managing their footprint and used respectfully, by optimising their use. More broadly, Hermès is committed to sustainably developing supply chains, beyond mere compliance with environmental, ethical and social regulatory requirements, and contributing to the future availability of these resources.

The Group's strategic materials (leather, cashmere, silk) all come from renewable markets. For example, our leathers, which are mainly bovine, are sub-products of the food industry, and are more than 90% sourced in France and Europe. In certain segments, such as precious leathers, the Group's vertical integration secures our access to the resource.

The Group has adopted a systematic approach to analysing its sources of supply, with clear diagnoses of the stakes and risks involved in each one, carried out with specialised firms. During the climate change risk analysis mentioned above, we also analysed risks relating to the reduction in these resources. Toolboxes and "supply chain briefs" have been developed for buyers and for our partners in these chains, to monitor these issues.

Based on this information, the Group reinforces the security of its supplies; we may implement a diversification policy to limit our dependency on suppliers where necessary, and build up security stocks. If necessary, stakes may be acquired to secure these relationships and sources. In addition, in line with our tradition of creative diversity and the search for the most outstanding materials, the teams at Hermès constantly explore possibilities of using new materials.

Finally, in 2020, the Group created a "circularity" committee to explore pathways for internal up-cycling (in silk and cashmere for example), and initiated projects to reuse production cuttings. These initiatives will eventually help to reduce the Group's dependency.

Social

- 4. Solidarity between economic players, and between large and small businesses, would appear necessary to mitigate the negative impacts of the current crisis. How is your Group adapting its purchasing or selling practices, both nationally and internationally, to support suppliers or customers that are impacted by the crisis? Do you apply different policies for very small businesses and SMEs? Has the crisis prompted you to make structural changes to your policies in this area?**

Answer

Our purchasing policy has remained unchanged for decades, and is characterised by firm loyalty to our partners, whatever their size, including very small businesses and SMEs. During the crisis, we maintained close contact with our partners, to assess their needs with them. This support took various

forms, adapted to their particular situation. For some, we supplied equipment (gloves, face masks, hand sanitizer) to enable them to resume production after the first lockdown. For others, we maintained our orders, or anticipated payments, or granted advances, or provided financial aid to supplement their State-guaranteed loans.

5. At Group level, how do you manage the social impacts inherent in the extensive development of home-working since the start of the pandemic? In particular, in terms of managing psychosocial risks, contributing to expenses, employee satisfaction surveys, changes in your employees' choice, the number of employees working remotely, etc.

Answer

Given the nature of our activities (design, production, retail, logistics), home-working does not apply to the majority of the Hermès Group's employees. Before we list the measures taken for these employees, we should emphasise that, right from the beginning of the health crisis and in conjunction with our social partners, the Group introduced strict and demanding measures to protect the physical and psychological health and safety and the financial security of all the staff. These included:

- Distribution of personal protective equipment (surgical masks or, since 1 March 2021, category 1 cloth masks for the daytime, FFP2 masks for commuting, gloves, face shields, etc.);
- Use of collective protection solutions (Plexiglas for example);
- Providing hand sanitizer at the entrance to each site and each canteen as well as in all the offices, workshops and common areas;
- Reinforcement of cleaning and disinfecting procedures to limit risks of hand-borne transmission;
- Distribution of Best Practice Handbooks to employees reminding them of the barrier measures to be applied both when commuting and while at work or on their breaks;
- Defining capacities, signalled by notices indicating the maximum number of people that may simultaneously be in a confined space while respecting physical distancing rules (meeting rooms for example);
- A drastic limitation on employee gatherings (systematic application of remote meetings, ban on all social events, particularly those involving consumption of food and/or beverages, etc);
- Implementation of strict protocols for the use of catering facilities, in conjunction with our service providers and in compliance with the guidelines laid down in national protocols; deployment of take-away services for eating at the workstation;
- Implementation of specific work organisations to prevent risks of infection (adjustment of working hours, shift work, special operating methods, etc.).

Beyond the measures designed to protect our employees from COVID, the following measures were taken in April 2020;

- Covid-19 PCR testing sessions were organised for employees wishing to be tested (with a specialised independent laboratory);
- The salaries of all our employees were maintained during periods of suspension or temporary unemployment related to the COVID 19 epidemic, without recourse to government schemes;
- Various exceptional bonuses were paid in 2020 (€1,500) and 2021 (€1,250) to help our employees and their families during this difficult period;

Whenever possible, the employees work from home, either on a full-time basis or part-time when certain tasks cannot be done remotely. To manage our use of this work organisation, the following measures were taken:

- First, all the employees have been reminded of this rule on several occasions by Senior Management, and it is communicated daily by managers to ensure it is followed. It is tracked in our internal computerised monitoring tool;

- On an exceptional basis, working on site, which is limited to one day a week, is possible if there is a real need and a prior request has been made to and approved by the manager;
- All the employees concerned are provided with laptop computers and can connect remotely to the company's secure IT network; headphones are provided on request; certain items of professional equipment may be borrowed in agreement with management (monitors, chairs, etc.);
- Refunds of public transport costs have been systematically maintained, even in the absence of travel, along with the granting of meal vouchers to employees who were already entitled to them;
- A monthly flat-rate bonus of €30 is paid for the additional costs incurred by working from home;
- A psychological support unit has been set up, particularly for employees working remotely;
- Specific training and co-development sessions have been rolled out for managers to help them support these new approaches and work organisations as a result of the health crisis, particularly home-working.

6. Do you have a definition of "decent salary" that is not limited to the local legal minimum wage? If so, what is it? How does your company ensure that its employees, and the employees of its suppliers, receive a decent salary?

Answer

Hermès pays constant attention to the working conditions, compensation and career development of every member of staff, to offer them complete compensation and reward their contribution to the company's development.

Therefore, the salary policy consists in offering a wide range of individual and collective compensation schemes, because the Group considers that each individual contribution creates value and plays a part in the collective dynamics that enable us to achieve our development strategy in the medium and long term.

This ambitious policy includes the following salary schemes and benefits:

- short term: fixed salaries, individual and collective bonuses, paid leave, and various profit-sharing schemes;
- medium and long term: employee stock-ownership plans open to all employees worldwide;
- post-employment benefits through retirement awards, and supplementary pension schemes that are in place for the great majority of employees, in line with local legislation and market practices;
- lastly, social welfare protection schemes enhance the employer offer and provide additional health care and maternity cover as well as collective benefits.

The Group's policy is to ensure that all employees worldwide receive comprehensive pay, competitively aligned with good market practices and strictly compliant with applicable standards and regulations, where necessary on a totally voluntary basis. This approach is particularly illustrated by the awards made on several occasions in recent years of rights to free shares in Hermès International to all employees worldwide. Furthermore, in respect of 2020, and for the third consecutive year, Hermès will pay all permanent employees worldwide an exceptional and additional bonus of more than €1,000 as recognition for their contribution to the Group's performance.

In addition, regarding social welfare, all employees are insured for major hazards of everyday life. The insurance covers death (whether accidental or otherwise) and long-term illness, as well as health and

maternity care, and retirement. In 2019, the Group introduced a global maternity policy, which particularly includes maintaining full basic pay for a minimum period of 16 weeks' maternity leave and 100% coverage of maternity-related health care costs.

The policy of the House is to encourage the voluntary implementation of insurance schemes to supplement mandatory legal schemes, in compliance with local market practices.

Through our support for external partners and our purchasing policy, the Group aims to secure compliance by all suppliers with legal conditions of employment and pay, but without being able to interfere in the definition of their own salary policies.

7. Regarding the incentive schemes applicable to your employees in France, do you integrate environmental and social criteria? If so:

What are these criteria? Have they changed since 1 April 2020?

What proportion do these criteria represent in the incentive scheme? Has it changed in the past year?

What percentage of employees is concerned?

Answer

In accordance with substantive law in force, the incentive agreements are signed for a term of three years in each company, in conjunction with the social partners. The criteria are selected according to the specific situation of each site and the conditions laid down by legislation, based on how they are likely to be interpreted by URSSAF (French organisation for the collection of social security contributions).

Most of the different agreements signed in 2019 and 2020 contain criteria relating to:

- Social performance and especially the safety of our employees, but also prevention and protecting our employees' health, particularly by reducing occupational accidents (frequency rate or severity rate) and compliance with health and safety rules;
- Maintaining a high standard of quality of the products manufactured in our workshops;
- Environmental impact – particularly our ability to reduce waste, control chemical hazards, and reduce water consumption.

8. In the context of employee savings schemes, which funds effectively carry responsible investment certification (CIES, Finansol, Greenfin, SRI)? For each fund proposed, what is the name of the certification, what share does it represent in total employee savings, and to which proportion of employees is it offered? Also, what percentage of Group employees, in France and abroad, have access to other forms of savings under a company scheme, particularly for retirement? What proportion of assets corresponding to these savings are managed in a socially responsible manner and have "signs of quality"? What are they?

Answer

In the context of our Group employee savings schemes, all the employees in France have access to various funds, proposed by the managing bank, which is a leader in this field in France.

These funds include the Multipar Solidaire Oblig Responsable which carries (i) SRI, (ii) Finansol (Solidarity Finance) and (iii) CIES (Comité Intersyndical de l'Épargne Salariale) certification.

At the end of 2020, savings in this fund accounted for around 20% of the total amount.

The employees freely choose the vehicle for their savings investments and are sensitive to the clarity and transparency of the objectives, operation and yield of the various funds proposed to them.

Governance

9. Do you apply the GRI 207 standard for your public tax reporting?

If so: does this reporting concern all the information indicated in this standard and if not, which data have you chosen not to publish and why?

If you do not use this standard, what are the reasons for this decision and do you plan to apply it in the near future (1 to 2 years)?

What other measures have you taken or do you intend to take to meet the growing demand for fiscal transparency from your stakeholders?

Answer

As stated in point 2.7.2.1.1. of the 2020 Universal Registration Document, the Hermès Group follows the guidelines of the GRI 207 CSR reporting standard.

The Hermès Group's tax strategy is based on the following principles:

- compliance by all Group companies with regulations in force in the countries in which these companies are based;
- meeting deadlines defined by applicable regulations in each country for filing the required returns and paying taxes due;
- taxation of profits in the place where the income is generated;
- no use of legal structures or transactions solely to achieve a primarily tax-related objective;
- prevention of tax evasion with no use of tax evasion schemes or structures without substance.

The location of the Group's activities is chosen exclusively for operational reasons and fiscal aspects have no impact on this approach.

This tax strategy is implemented by the Finance Directorate, which draws on internal (the tax department) and external expertise both in France and abroad. It is reviewed and approved by the Executive Committee at least once a year.

In addition, the Hermès Group has decided to enter into a relationship of trust with the French tax administration by signing the Tax Partnership Agreement in April 2021. This initiative reflects the Group's ambition to engage in dialogue with its supervisory authority based on transparency and good faith.

Within the framework of our fiscal obligations, each year the Hermès Group files a transfer pricing statement to the French tax administration and a country-by-country statement ("CBCR"). In countries where exchange of information is not operational, the Group files a CBCR to the local tax authority. These documents and statements are currently only intended for tax authorities.

The Hermès Group also complies with the declaratory obligations arising under Council Directive (EU) 2018/822 of 25 May 2018 as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements, known as "DAC6". This "DAC6" obligation applied for the first time in February 2021.

10. What scope is taken into account for the equity ratios you publish? How do you analyse changes in these ratios? Has this analysis prompted you to adapt your salary policies, and if so, how?

Answer

The scope used in the denominator is the one provided for by law, i.e. the employees of the listed company Hermès International whose representative headcount, within the meaning of the law for the determination of the ratios, represented 391 employees as at 31 December 2020. In addition to the legal requirement, this choice makes variations in these ratios easier to understand and facilitates the consistency of the calculation basis over time, which will be less impacted by changes in the scope of consolidation (acquisitions/disposals) within the Group.

The change in ratios over the past five years has shown a positive and balanced development in compensation received by employees and has not required any modification to the salary policy. We add that:

- **in 2020 and 2021**, the group granted **salary increases in the context of salary review measures**, in conjunction with staff representatives where applicable, and
- **the group maintained the basic pay of all the employees throughout the lockdown and non-working periods** (depending on the health crisis restrictions imposed in the different countries) **without resorting to government schemes**.
- the senior directors waived the increase in their compensation (fixed and variable pay) in 2020; regarding compensation in 2021 and subject to the shareholders' vote at the General Meeting on 4 May 2021, a decrease will be recorded.

11. In connection with the implementation of your Group's gender equality policy, can you provide us with:

- (i) **The agenda and targets – both achieved and to be achieved – concerning topics related to this policy (career, training, compensation, work-life balance, etc.) at every level of responsibility.**

Answer

Hermès initiated a proactive equal opportunities policy several years ago.

Gender equality is particularly taken into account within our House, with 69% of women on the Operations Committee and 60% of female managers in the Group. The gender equality pay index implemented in France is 92/100.

Hermès International also improved its ranking in the *Palmarès de la Féminisation des Instances Dirigeantes* (classification based on female representation in governing bodies), rising from 26th to 17th position out of the 120 companies of the SBF 120 (cf. classification published in June 2020).

Many French companies have signed three-year wage parity and professional equality agreements (Hermès Sellier, HTH, etc.), applying to all levels of responsibility and covering various dimensions:

Compensation

- Guarantee at the time of hire of the same pay and classification for an equivalent post/level of education/responsibility/experience
- Commitment to correct any unjustified difference in pay for employees of different sex in the same professional situation
- Thorough analysis by department of the "median salary" index to identify any anomalies for each level/grade
- Goal of harmonising the respective proportion of men and women during salary reviews and

- monitoring the average rate of individual rises awarded to men and women
- Neutralisation of the salary impact of taking maternity leave, including on bonuses
- Part-time work with contributions maintained on a full-time basis, and full payment by the company of additional employer and employee contributions (HTH division)

Diversity of teams

- Raising awareness among recruiters / HR / managers of improvements in diversity within each division

Careers

- Goal of achieving the same Male/Female ("M/F") proportion in promotions as in the workforce structure

Training

- Goal of achieving the same M/F proportion in training as in the workforce structure

Work-life balance

- Award of a maternity time capital allowing ad hoc working time adjustments
- Occasional remote working favoured for pregnant women
- Paternity leave with full salary maintained
- Additional leave for the hospitalisation of a child with full salary maintained for up to 30 days
- Guarantee of benefitting from the average salary rise even during periods of absence for parental leave
- Days off to care for sick children
- Corporate crèche service and reserved beds
- Leave for parental presence with payment of 75% of the salary up to 90 days over 3 years
- Donation of rest days to an employee
- Work meetings scheduled between 9.30 am and 6.30 pm
- Absence authorised for the September return-to-school period (HTH division)

- (ii) **Is this gender equality policy applied in all the Group's companies both in France and abroad? If not, why not?**

Answer

Hermès is currently deploying a Diversity and Inclusion initiative abroad, with a view to jointly developing and defining a set of core common values in terms of respecting diversity, in order to assert our beliefs and ambitions. This initiative will reaffirm our non-negotiable prerequisites, such as the prohibition of any form of discrimination or violence in the workplace, whether psychological or physical. Global D&I priorities will be jointly defined, such as gender equality and diversity of origins.

Among the measures already taken, we can particularly mention the Maternity Policy (cf. answer to question 6 above) which is deployed in all the Group's entities and guarantees a common maternity base for all female employees, notwithstanding the scheme applicable under local laws or labour agreements.

- (iii) **If it is, what specific means do you use to promote gender equality in the countries in which you operate, where this notion is not so well established?**

Answer

Each country will be asked, in light of its culture, issues and societal context, to take a stand on each dimension, by setting measurable and achievable improvement goals. As gender equality is a key principle in our set of core common values, countries facing greater cultural difficulties in this area will

be encouraged to test and implement short-term awareness action plans to ensure progress is made on this vital topic.

However, and thanks to these concrete commitments, Hermès ranks number 1 in its sector and 5th overall in the "Diversity Leaders" ranking published in 2020 by the British daily newspaper, the Financial Times. This ranking assesses employee perception of inclusion in the company and the efforts made to promote aspects of diversity. It is based on an independent survey conducted in 16 European countries with more than 100,000 employees in 15,000 companies.

- 12. How are your lobbying practices formally defined and how do they fit in to the Group's CSR policy? Can you describe your company's chain of responsibility as regards lobbying or institutional relations? In which circumstances may or must your group's supervisory body (board of directors, supervisory board) be consulted? What information relating to your lobbying practices do you publish (public positions, budgets allocated, etc.), for each of your global markets?**

Answer

Hermès is a member of several sector-specific organisations (Association française des entreprises privées (AFEP), Comité Colbert, Union des Fabricants (UNIFAB), Fédération de la Haute Couture et de la Mode, Fédération des entreprises de la beauté (FEBEA)) which take action in relation to institutional decision-makers in the collective interests of their members. The Group also has occasional contact with institutional leaders, particularly with the European Union. Through these institutional meetings, we aim to clearly identify and anticipate future regulatory changes that may affect our business. All these discussions are held in strict compliance with rules of ethics and transparency applicable to public affairs in force within these institutions, and with the Hermès Group's founding values.

- 13. In practical terms, how do you involve the social partners, at Group and local levels, to engage your company in a fair transition? Do you intend to publish their opinion on your due diligence plan? Do you intend to publish their opinion of your non-financial performance document?"**

Answer

Recognising that there is a profound problem in French society in terms of union representation, the Hermès Group launched a participatory initiative in 2019 to renew social dialogue with its staff representatives. In the challenging context of the health crisis, task forces were nonetheless able to work and make a number of proposals to fuel collective bargaining at Group level. These negotiations are currently under way with a view to renewing the Group's existing agreement on social dialogue. This initiative aims to enable all staff representatives (elected and nominated) to fulfil their role in better conditions, and to involve them more in various projects, both in each company and at Group level. To achieve this aim, measures must be taken to improve the organisation between the union mandate and the professional activity and to better train representatives, particularly by allowing them to attend in-house training that was hitherto only available to managers. This extensive engagement which goes beyond legal requirements to inform and consult staff representatives will not, however, result in the Group publishing their opinions on any matter whatsoever.