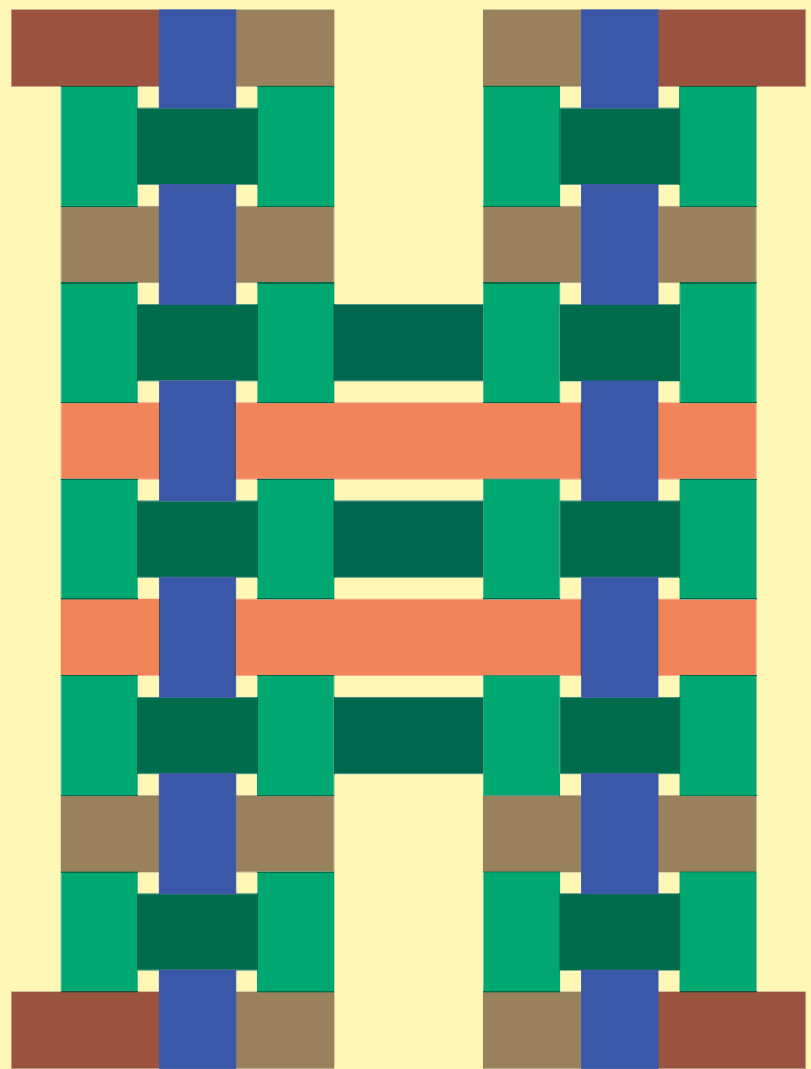


Innovation in the making

Activity report 2020



Message from the Chairmen



HERMÈS, A STRONG AND RESILIENT MODEL IN THE FACE OF THE COVID-19 CRISIS

2020 was a pivotal year. We are proud of the robustness and solidarity that the house displayed, and grateful to all of its teams.

The resilience and courage demonstrated by its 16,600 employees have allowed Hermès to sustain its entrepreneurial spirit and strengthen the bonds it has cultivated with local customers. We can look to the future with confidence.

Throughout the year, in the face of this unprecedented crisis, we sought to make Hermès a place of refuge, true to our human values, by maintaining salaries worldwide without recourse to state subsidies, donating 20 million euros to the Paris hospitals in France among many other local initiatives, producing and donating face masks and hand sanitiser, and paying an exceptional bonus of 1,250 euros to all employees in 2021.

The solid results that we are pleased to share reflect the pertinence of our artisanal model and our rigorous financial management. Hermès, contemporary artisan of durable objects, is adept at accompanying changing habits – digital transformation in particular – and growing in a reasoned way, with respect for natural ecosystems. In these troubled times, the house has played its role as a beacon of light. But make no mistake, our identity is also bound up in the conviction that creativity is at the heart of all development. The success of our collections, the originality of our designs, the innovative nature of our materials, and the ways in which our objects are used all reflect the vitality of our house and our ability to be a style prescriber.

We emerge from this year of change with enthusiasm for our métier of artisan, attentive to the perennity of our know-how, and alert to the changes in the world that demand constant agility.

2021 holds the promise of a wonderful odyssey that we can embark upon serenely.

2021 holds the promise of a wonderful odyssey that we can embark upon serenely.

2021 holds the promise of a wonderful odyssey that we can embark upon serenely.

Axel Dumas, Executive Chairman

Émile Hermès SARL, Executive Chairman, represented by **Henri-Louis Bauer**

Innovation in the making

2020 Activity report

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A committed and responsible
corporate citizen

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Group overview,
general trend
and key figures

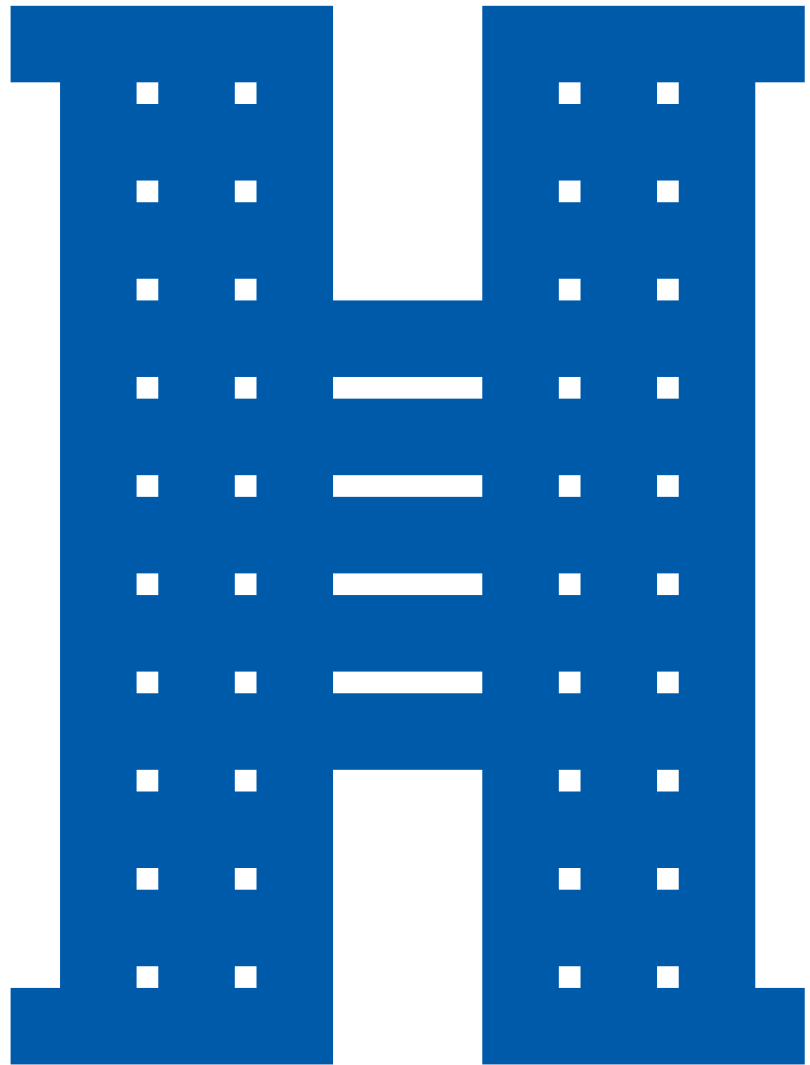
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An entrepreneurial spirit

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Creative freedom at the core
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Responsible and
sustainable development

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Customers at the centre
of an omnichannel network

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2021
Hermès, an odyssey



A committed and responsible corporate citizen

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2020 remains unprecedented in terms of the evolving, pluralistic crisis that has left its mark on the entire world. Disruption on such a scale calls for humility. As a corporate citizen, Hermès has felt duty-bound to act responsibly and with solidarity.

For each aspect of its operations, the house rapidly introduced measures to adapt to this extraordinary context and to take action in the general interest.

Hermès has taken care to protect all its employees worldwide, maintaining jobs and salaries without recourse to state subsidies.

Specific arrangements were made to support staff as they returned to the workplace, in complete safety and under very strict conditions – from 14 April 2020 for some production sites. The house rewarded its employees for their commitment by paying a return-to-work bonus, and a group agreement concerning emergency measures taken in response to the pandemic was negotiated remotely with the representative trade unions.

The company displayed its agility in implementing new working methods, from support functions to manufactures – such as the introduction of 5 teams working 8-hour shifts at the Cristallerie Saint-Louis to monitor the kilns and 2 teams working 8-hour shifts at Hermès Maroquinerie-Sellerie during the lockdown.

Hermès has also been mindful of its partners, maintaining close relationships through constant dialogue and practical support.

The house has reinvented its relationship with its customer community, firstly through e-commerce, and secondly by offering unique experiences in its stores.

Hermès has continued its programme of investment in a large number of production sites in France, and has committed to preserving certain activities, for example the acquisition of J3L, a manufacturer of metal parts.

Furthermore, the group provided support to the community. The teams at Hermès Parfums produced and donated 45,000 litres of hand sanitiser and 145,000 masks and other equipment to healthcare workers. Hermès donated €20 million to the federation of Paris hospitals (Assistance Publique – Hôpitaux de Paris), amongst other charitable actions. Subsidiaries throughout the world also undertook more than 80 local initiatives in the public interest.

The whole group remains highly vigilant with regard to the situation, adapting its practices to measures introduced by the authorities on a day-to-day basis.



The team at the Omotesando store
in Tokyo, Japan.

Group overview,
general trend
and key figures

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GROUP MANAGEMENT

The Executive Management ensures the management of Hermès International.

The role of the Executive Chairmen is to manage the Group and act in its general interest, within the scope of the corporate purpose and subject to those powers expressly granted by law or by the Articles of Association to the Supervisory Board, the Active Partner and the Shareholders' General Meetings.

The roles of the Executive Chairmen are distributed as follows: Axel Dumas is in charge of strategy and operational management, and Émile Hermès SARL, through its Executive Management Board, is responsible for the vision and strategic focus.

The group management is comprised of the Executive Chairman and the Executive Committee, composed of a team of managing directors, each of whom has well-defined areas of responsibility. Its role is to oversee the Group's operational and strategic management and its composition reflects the group's principal areas of expertise.

Executive Chairmen

AXEL DUMAS
Executive Chairman

ÉMILE HERMÈS SARL
Executive Chairman, represented by
HENRI-LOUIS BAUER

Executive Committee

AXEL DUMAS
Executive Chairman

FLORIAN CRAEN
Executive Vice-President
Sales & Distribution

CHARLOTTE DAVID
Executive Vice-President
Communication

PIERRE-ALEXIS DUMAS
Artistic Executive Vice-President

OLIVIER FOURNIER
Executive Vice-President Governance
and Organisational Development

CATHERINE FULCONIS
Executive Vice-President
Leather Goods-Saddlery and petit h

WILFRIED GUERRAND
Executive Vice-President
Métiers, IT Systems and Data

ÉRIC DU HALGOUËT
Executive Vice-President Finance

GUILLAUME DE SEYNES
Executive Vice-President
Manufacturing Division
& Equity Investments



The Executive Committee in the Hermès store on Avenue George-V in Paris, in February 2020. Left to right: Éric du Halgouët, Catherine Fulconis, Wilfried Guerrand, Axel Dumas, Olivier Fournier, Charlotte David, Guillaume de Seynes, Pierre-Alexis Dumas and Florian Craen.

MANAGEMENT BODIES

Supervisory Board

ÉRIC DE SEYNES
Chairman

MONIQUE COHEN
Vice-Chairwoman
DOMINIQUE SENEQUIER
Vice-Chairwoman
DOROTHÉE ALTMAYER
CHARLES-ÉRIC BAUER
ESTELLE BRACHLIANOFF
PUREZA CARDOSO¹
MATTHIEU DUMAS
BLAISE GUERRAND
JULIE GUERRAND
OLYMPIA GUERRAND
RÉMY KROLL¹
RENAUD MOMMÉJA
ALEXANDRE VIROS



Éric de Seynes,
Chairman of the
Supervisory
Board.

Audit and Risk Committee

MONIQUE COHEN
Chairwoman

CHARLES-ÉRIC BAUER
ESTELLE BRACHLIANOFF
RENAUD MOMMÉJA
ALEXANDRE VIROS

CAG-CSR Committee

DOMINIQUE SENEQUIER
Chairwoman

ESTELLE BRACHLIANOFF
MATTHIEU DUMAS

Active Partner

ÉMILE HERMÈS SARL
Active Partner, represented by its
Management Board:

HENRI-LOUIS BAUER
Executive Chairman

FRÉDÉRIC DUMAS
Vice-Chairman
PASCALE MUSSARD
Vice-Chairwoman

SANDRINE BREKKE
CAPUCINE BRUET
ALICE CHARBIN

ÉDOUARD GUERRAND
LAURENT E. MOMMÉJA
JEAN-BAPTISTE PUECH
GUILLAUME DE SEYNES

¹ Employee representative

HERMÈS INTERNATIONAL – SIMPLIFIED ORGANISATION CHART

Hermès brand

Retail distribution		Production and wholesale distribution	Production	Bespoke design	
Argentina	Japan	Perfumes division Watchmaking division Home division J3L division	Leather Goods division Tanning and Precious Leathers division Textiles division	Hermès Horizons	petit h
Australia	Malaysia				
Belgium	Mexico				
Brazil	Poland				
Canada	Portugal				
China, Hong Kong, Taiwan	Principality of Monaco				
Czech Republic	Russia				
Denmark	Singapore				
France	South Korea				
Germany	Spain				
Greece	Switzerland				
Guam	Thailand				
India	Turkey				
Italy	United Kingdom				
	United States				
			Other brands		
			John Lobb Bootmaker Cristallerie Saint-Louis Puiforcat	Furnishing fabrics: Verel de Belval Bucol Créations Métaphores Le Crin	

General trend

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Solid annual results and dynamic sales in the 4th quarter of 2020.

Revenue reached €6.4 billion at 31 December 2020 (-6% at constant exchange rates). Recurring operating income amounted to 31% of sales.

2020 was marked by an unprecedented public health and economic crisis. In this uncertain context, Hermès demonstrated its adaptability, and the agility and strength of its artisanal business model. The reduction in tourist flows was offset by the loyalty of local customers and by the strong increase in online sales.

In 2020, the group's consolidated revenue reached €6,389 million, a moderate decrease of 6% at constant exchange rates and 7% at current exchange rates. Revenue returned to growth in the second half-year, accelerating in the 4th quarter (+16%). Revenue generated in the group's stores in 2020 was slightly down (-2%). Recurring operating income amounted to €1,981 million, at 31% of sales, and net income group share was €1,385 million, down 9% compared to 2019.

Axel Dumas, Executive Chairman of Hermès, said: "The solidity of our results reflects both the desirability of our collections and the agility of our artisanal model. I am proud of the work accomplished by all Hermès employees, who have shown courage, solidarity and commitment, and I thank our customers for their loyalty all over the world."



Hermès Della Cavalleria bag.

Right:
The Hermès store in Daegu
in South Korea.



**SALES BY REGION AT
END DECEMBER**

At constant exchange rates, unless otherwise indicated

Revenue generated in the group's stores in 2020 demonstrated good resistance after an excellent 4th quarter (+21%), and a remarkable performance in Asia and Japan. Despite the context, Hermès continued to develop its distribution network, with new store openings and the reopening of renovated and extended stores.

Wholesale activities (-32%) were penalised by the drop in sales to the travelling public.

The network has adapted flexibly to changes in the global context by offering omnichannel solutions to its customers. The success of online sales was confirmed in all regions, and the rollout of the new digital platform continued in Asia and in the Middle East.

Asia excluding Japan (+14%) posted strong growth driven by an excellent 4th quarter (+47%), in particular thanks to dynamic sales in Greater China, Korea and Australia. Despite renewed shutdowns of shops in certain countries in the region, sales were particularly strong over the last six months of the year. The stores in Daegu Shinsegae in Korea, Harbour City in Hong Kong, and Dalian in China reopened successfully after renovation and extension work. The Asian rollout of the new digital platform continued in Hong Kong, Macao, and Korea, leading to very high growth in e-commerce sales.

In Japan (-4%), recovery from June onwards was particularly dynamic, thanks to the loyalty of local customers. A new store opened in Osaka in September, and the Sendai Fujisaki store was extended and renovated. Sales were especially strong on the hermes.jp platform.

America (-21%) gradually recovered in the second half-year, posting slight growth in the 4th quarter. The Wynn Plaza store in Las Vegas was extended and renovated in October, followed by the Short Hills store in New Jersey in November.

Europe excluding France (-20%) and France (-29%) continued to be penalised by the closure of stores in several countries in November, and by the introduction of new restrictions as of mid-December. The reduction in tourist flows was partly offset by the loyalty of local customers and by the strong growth in online sales. In October, a new store opened in the Galería Canalejas in Madrid and the Stockholm store was renovated and extended.

SALES BY MÉTIER AT END DECEMBER

At constant exchange rates
unless otherwise indicated

Leather Goods and Saddlery (-5%), for which demand is very strong, returned to growth in the second half-year, accelerating in the 4th quarter (+18%) reflecting the gradual resumption of deliveries. The increase in production capacities continues, with the opening of workshops in Guyenne (Gironde) and Montereau (Seine-et Marne) due to be inaugurated in 2021, followed by the Louviers site (Eure) in 2022. In addition, a new site in the Ardennes is scheduled for 2023 and the building of a second workshop in Auvergne has been announced. With these new sites, Hermès is reaffirming its strong local anchors in France.

The group's other métiers also benefitted from strong momentum in the resumption of activity in the different regions. The Ready-to-Wear and Accessories métier (-9%) continued its growth in the 4th quarter (+12%). The women's spring-summer 2021 runway show presented in October met with great success, after the online broadcast of the men's collection in early July. The Silk and Textiles métier (-23%) continued to be penalised by the drop in sales to travellers.

Perfumes and Beauty recorded a decrease of 19%, marked by the contraction of tourist flows.

After the highly successful launch of the first lipstick collection in early February, the Beauty métier continued its development. Watchmaking (+2%) posted excellent performance in the 4th quarter (+28%). The other Hermès métiers (+24%) confirmed their strong momentum in the last quarter (+56%) due in particular to the Home universe and Jewellery. The new *Lignes sensibles* high jewellery collection was unveiled at the end of September.

SOLID RESULTS AND GROWTH IN CASH POSITION IN 2020

Recurring operating income reached €1,981 million compared to €2,339 in 2019, down 15%. The recurring operating margin improved strongly in the second half to reach 31% on a full-year basis. After a non-recurring profit of €91 million related to the deconsolidation of Shang Xia, operating income amounted to €2,073 million.

Consolidated net profit group share was €1,385 million versus €1,528 million in 2019, a moderate reduction of 9%.

Adjusted free cash flow reached €995 million, after taking into account €448 million of operational investments which reflect the pursuit of strategic projects.

After payment of the ordinary dividend (€474 million) and registration of share buybacks, the restated net cash position increased by €342 million

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to €4,904 million, compared to €4,562 million as at 31 December 2019. In 2020, Hermès International redeemed 168,780 shares for €123 million, excluding transactions carried out in the framework of the liquidity contract.

GROWTH IN WORKFORCE

The Hermès group continued to recruit, increasing its workforce by 1,183 people, of which about half came from the integration of the J3L group, a long-standing supplier to Hermès. At the end of 2020, the group employed 16,600 people, of which 10,383 are in France.

True to its commitment as a responsible employer, Hermès maintained the jobs and basic salaries of its employees worldwide, without resorting to government subsidies. At the end of February 2021, the group paid a bonus of €1,250 bonus to all employees in recognition of their commitment and contribution to results.

OUTLOOK

For 2021, the impacts of the Covid-19 pandemic are currently difficult to assess, as the scale, duration and geographic extent of the crisis are evolving daily. However, Hermès remains confident in the future, thanks to the house's highly integrated artisanal model and balanced distribution network, as well as the creativity of its collections and loyal clientele. The group remains highly committed and active in adapting to the measures imposed by public health authorities and governments.

In the medium term, despite world economic, geopolitical and monetary uncertainties, the group is asserting an ambitious target for revenue growth at constant exchange rates.

The theme for 2021 is *An odyssey*. Hermès continues its journey with confidence in the future, facing the uncertainties of the world whilst remaining true to its identity.

Thanks to its unique business model, Hermès is pursuing its long-term development strategy based on creativity, maintaining control over know-how, and outstanding communication.

PROPOSED DIVIDEND

At the General Meeting on 4 May 2021, a dividend proposal of €4.55 per share will be made. The €1.50 interim dividend paid on 4 March 2021 will be deducted from the dividend approved by the General Meeting.

Spring-summer 2021 women's ready-to-wear runway show at the Paris Tennis Club.



Key figures

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Key consolidated data in €m

	2020	2019	2018 restated*	2017	2016
REVENUE	6,389	6,883	5,966	5,549	5,202
Growth at constant exchange rates v. y-1	(7.2)%	15.4%	7.5%	6.7%	7.5%
Growth at constant exchange rates v. y-1 ¹	(6.0)%	12.4%	10.4%	8.6%	7.4%
RECURRING OPERATING INCOME² as a % of revenue	1,981 31.0%	2,339 34.0%	2,075 34.8%	1,922 34.6%	1,697 32.6%
OPERATING INCOME as a % of revenue	2,073 32.4%	2,339 34.0%	2,128 35.7%	1,922 34.6%	1,697 32.6%
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT as a % of revenue	1,385 21.7%	1,528 22.2%	1,405 23.6%	1,221 22.0%	1,100 21.2%
OPERATING CASH FLOWS	1,993	2,063	1,863	1,580	1,427
ADJUSTED OPERATING CASH FLOW³	995	1,406	1,447	1,340	1,212
OPERATING INVESTMENTS	448	478	312	265	262
SHAREHOLDERS' EQUITY	7,380	6,568	5,470	5,039	4,383
NET CASH POSITION⁴	4,717	4,372	3,465	2,912	2,320
RESTATED NET CASH⁵	4,904	4,562	3,615	3,050	2,345
WORKFORCE (number of employees)	16,600	15,417	14,284	13,483	12,834

* Including the impact of IFRS 16 on leases. In accordance with IAS8, Hermès applied this new standard retrospectively and restated the financial statements for the period ending 31 December 2018.

1. Growth at constant exchange rates is calculated by applying the average exchange rates of the previous period to the current period's revenue, for each currency.

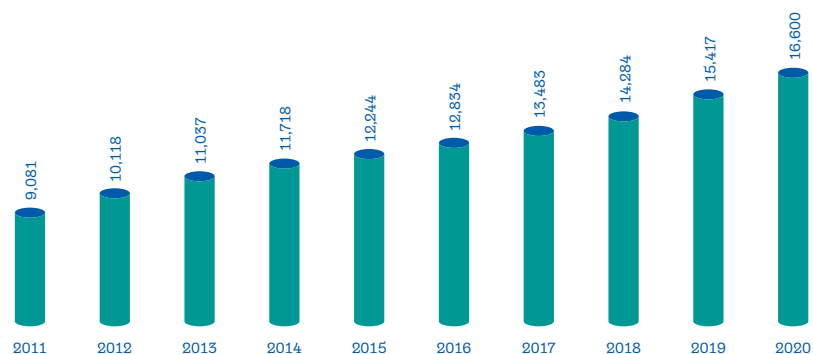
2. Recurring operating income is one of the main performance indicators monitored by the group's General Management. It corresponds to the operating income excluding non-recurring items having a significant impact likely to affect the understanding of the group's economic performance.

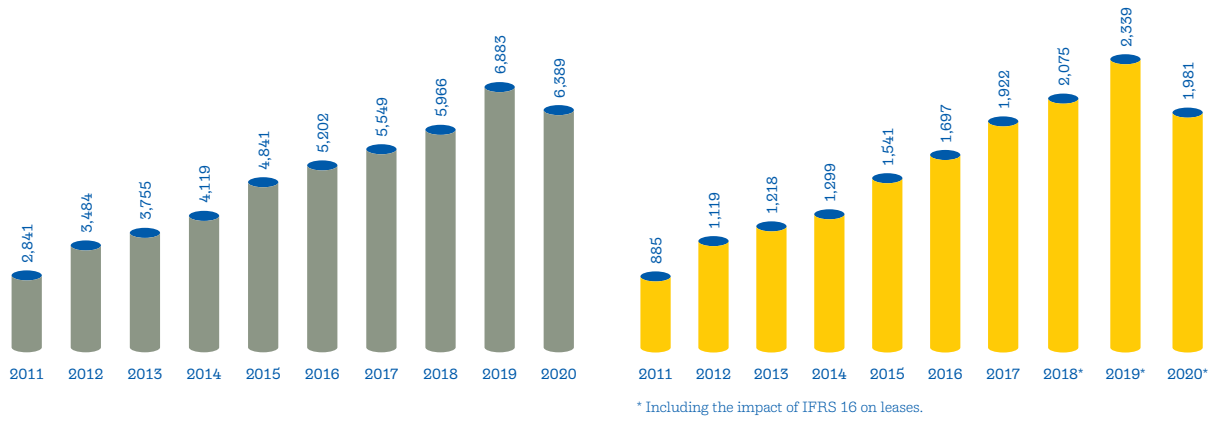
3. Adjusted free cash flow corresponds to the sum of operating cash flows and change in working capital requirement, less operating investments and repayment of lease liabilities, as per IFRS cash flow statement (consolidated statement of cash flows).

4. The net cash position includes cash and cash equivalents on the asset side of the balance sheet, less bank overdrafts presented within the short-term borrowings and financial liabilities on the liability side of the balance sheet. It does not include lease liabilities recognised in accordance with IFRS 16.

5. The restated net cash position corresponds to the net cash position, plus cash investments that do not meet IFRS criteria for cash equivalents as a result of their original maturity of more than three months, minus borrowings and financial liabilities.

Evolution of the group's total workforce over the last ten years





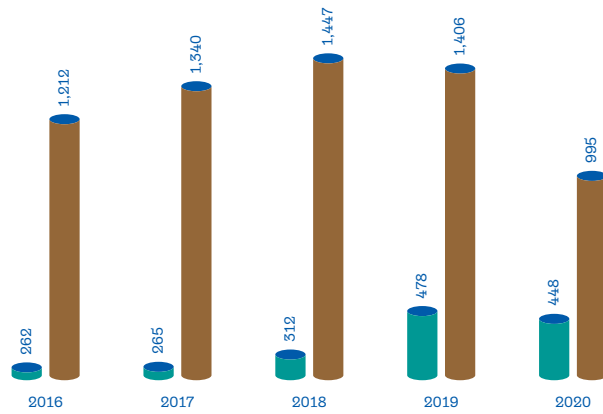
Consolidated revenue in €m

Recurring operating income in €m

Operating investments and adjusted free cash flow in €m

Investments

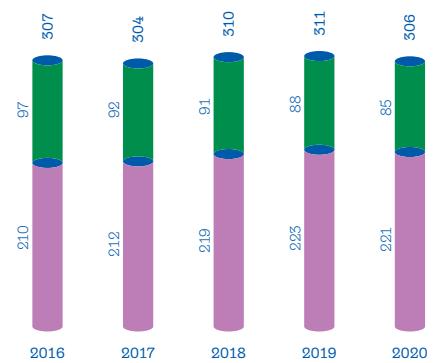
Adjusted free cash flow

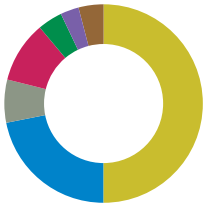


Number of exclusive retail outlets

Branches

Concessionnaires



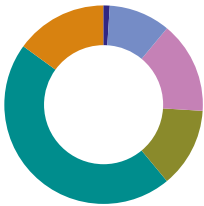


Revenue breakdown by métier

Leather Goods and Saddlery 50%
 Ready-to-wear and Accessories 22%
 Silk and Textiles 7%
 Other Hermès sectors 10%
 Perfumes 4%
 Watches 3%
 Other products 4%

Revenue by métier and change 2020 v. 2019

	2020 REVENUE in €m	CHANGE 2020 V. 2019 at constant exchange rates
LEATHER GOODS AND SADDLERY	3,209	(4.8)%
READY-TO-WEAR AND ACCESSORIES	1,409	(9.2)%
SILK AND TEXTILES	452	(22.8)%
OTHER HERMÈS SECTORS	643	23.9%
PERFUMES	263	(19.0)%
WATCHES	196	2.3%
OTHER PRODUCTS	218	(15.3)%
CONSOLIDATED REVENUE	6,389	(6.0)%



Revenue breakdown by region

France 10%
 Europe (excl. France) 15%
 Japan 13%
 Asia-Pacific (excl. Japan) 46%
 Americas 15%
 Other 1%

Revenue by region and change 2020 v. 2019

	2020 REVENUE in €m	CHANGE 2020 V. 2019 at constant exchange rates
EUROPE	1,573	(23.6)%
France	620	(28.6)%
Europe (excluding France)	953	(20.0)%
ASIA-PACIFIC	3,749	9.9%
Japan	834	(3.7)%
Asia-Pacific (excluding Japan)	2,915	14.4%
AMERICAS	959	(20.5)%
OTHER	108	(9.9)%
CONSOLIDATED REVENUE	6,389	(6.0)%



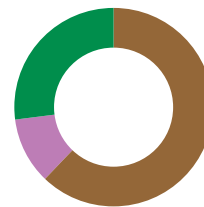
Workforce breakdown by sector

Sales 38%
 Production 46%
 Support functions 16%



Male-Female ratio

Female 68%
 Male 32%



Workforce breakdown by region

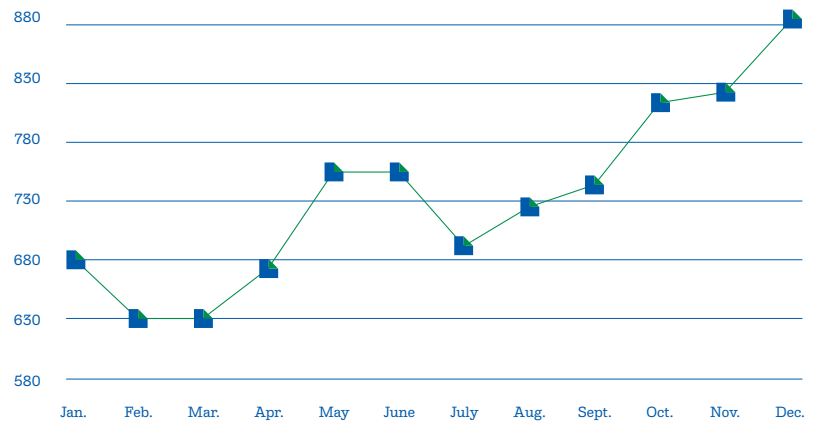
France 62%
 Europe 11% (excl. France)
 Other regions 27%

Key stock market data

	2020	2019	2018
NUMBER OF SHARES AS AT 31 DECEMBER	105,569,412	105,569,412	105,569,412
AVERAGE NUMBER OF SHARES (excluding treasury shares)	104,430,772	104,233,233	104,227,077
MARKET CAPITALISATION AS AT 31 DECEMBER	€92.86 bn	€70.33 bn	€51.18 bn
EARNINGS PER SHARE (excluding treasury shares)	€13.27	€14.66	€13.48
DIVIDEND PER SHARE	€4.55 ¹	€4.55	€4.55
AVERAGE DAILY VOLUME (Euronext)	€66,151	€54,467	€72,725
12-MONTH HIGH SHARE PRICE	€890.20	€689.20	€614.60
12-MONTH LOW SHARE PRICE	€516	€462.40	€417.90
12-MONTH AVERAGE SHARE PRICE	€729.42	€607.44	€509.85
SHARE PRICE AS AT 31 DECEMBER	€879.60	€666.20	€484.80

1. Subject to approval by the Ordinary General Meeting of 4 May 2021. An interim dividend of €1.50 was paid on 4 March 2021.

Hermès share
price history in 2020
(price in euros at month-end)



Shareholding structure
at 31 December 2020

Public 32.5%

Treasury stock 0.9%

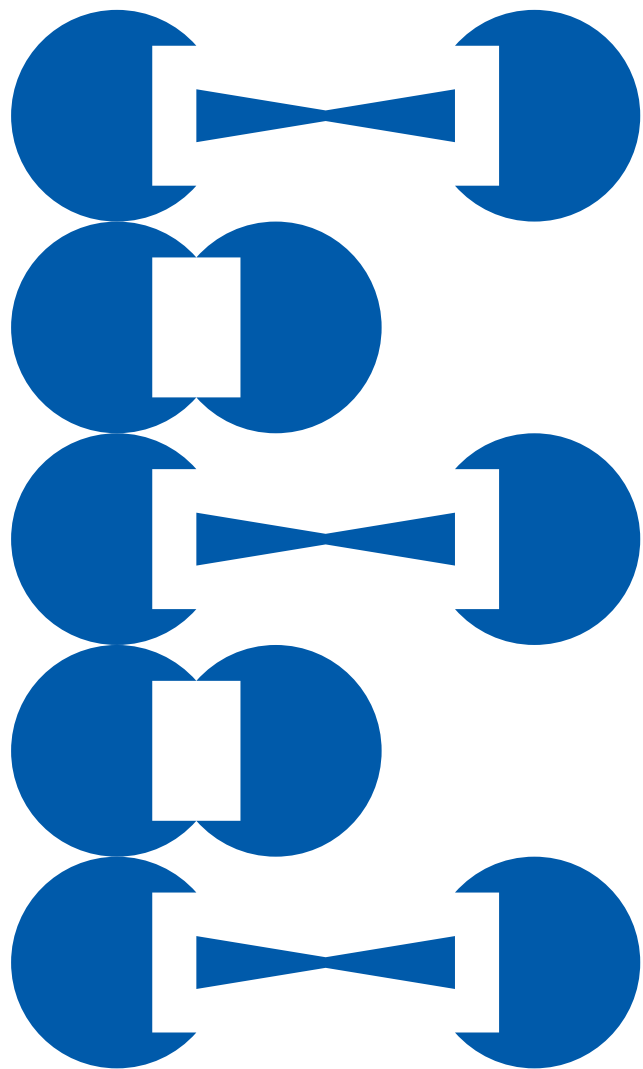
Hermès family-owned group 66.6%



An entrepreneurial spirit

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An entrepreneurial spirit continues more than ever to guide Hermès and its employees. Drawing on its past strategies, the house has weathered the pandemic with agility and resilience, proving its capacity for finding pertinent solutions.



Six generations of craftsmen

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The Hermès adventure began in 1837 when the harness-maker Thierry Hermès opened a workshop in rue Basse-du-Rempart in Paris. Gradually, generation after generation, the house followed a dual thread: on the one hand the painstaking work of the craftsman in his workshop, and on the other the active lifestyles of its customers. Carried by an enduring spirit of freedom and creativity, Hermès remains highly sensitive and attentive to the changing nature and needs of society.

In 1880, Charles-Émile Hermès, the founder's son, moved the workshops to 24 Faubourg Saint-Honoré, and set up an adjoining store. At this now-emblematic address, harnesses and saddles were made to measure. The business was already standing out for the excellence of its creations.

AN INNOVATIVE HOUSE PASSIONATE ABOUT ITS ERA

During the interwar period, lifestyles changed and the house broke new ground under the management of Thierry's grandson, Émile Hermès. He decisively influenced the family firm's destiny when,

while travelling in Canada, he discovered the opening and closing system of an automobile hood. In 1922 he obtained exclusive rights to this American "universal fastener" – known today as the zip – which was used extensively in the house's luggage and other designs. Under the impetus of Émile Hermès, the house opened up to other métiers, while retaining a close connection with the equestrian world, drawing on its mastery of raw materials and its artisanal culture to create its first clothing collections.

In 1937, the famous silk scarf was born with the *Jeu des omnibus et dames blanches* design, the first in a long series.

Robert Dumas, one of Émile Hermès' sons-in-law, took the helm of the house in 1951. He was a regular visitor to the workshops, designing objects whose details (buckles, fasteners, saddle nails and anchor chains) exuded an elegance that in no way diminished their practicality. Hermès objects stand out for their materials, their mastery of know-how, and their bold creativity, stimulated by the house's keen vision of the world. The silk métier now

invites artists to create unique designs.

A VISIONARY HOUSE

From 1978 onwards, Robert Dumas' son, Jean-Louis, gradually revolutionised the house, diversifying it and projecting it onto the world map. Hermès embraced new métiers founded on unique know-how, with watchmaking from 1978, along with the integration of new houses into the group – the bootmaker John Lobb in 1975, Puiforcat silversmiths in 1993, and the Saint-Louis crystalworks in 1995. Hermès has also created its own footwear, designed by Pierre Hardy since 1990.

In 1987, for the house's 150th anniversary, Parisians were treated to a memorable firework display that launched the first theme, a tradition that has been perpetuated annually ever since to nourish all forms of creativity with a shared source of inspiration. Jean-Louis Dumas also supported the development of Hermès around the world with the opening of numerous stores, all of which ingeniously combined the identity of 24 Faubourg with their local culture.

Among these international stores, several Maisons Hermès were inaugurated: on Madison Avenue in New York (USA) in 2000, in Tokyo (Japan) in 2001 – in Ginza, in a building made of glass bricks designed by Renzo Piano – and in Dosan Park, Seoul, in 2006.

From 2006, Patrick Thomas decentralised the strategic organisation of the métiers and reorganised Hermès' presence across the world into geographical regions. He also ensured the transition to the sixth generation of the family.

HERMÈS TODAY

In 2005, Pierre-Alexis Dumas, son of Jean-Louis Dumas, was appointed Artistic Director. The house expanded its range of know-how, complementing its jewellery product offer with a first high jewellery collection in 2010. The following year, the home universe offered home furnishing fabrics and wallpapers for the first time. Creativity, combining innovation and whimsy, became ever more abundant within the different métiers.

In 2008, Pierre-Alexis Dumas also created the Fondation d'entreprise Hermès, which supports artistic creation, the promotion and transmission of artisanal know-how, and the preservation of biodiversity.

Executive Chairman since 2013, Axel Dumas, nephew of Jean-Louis Dumas, strengthened the dynamic growth of the group with the inauguration of the fifth Maison Hermès in Shanghai in 2014. He has driven the implementation of the group's digital strategy, which culminated in the redesign of the hermes.com website in 2018. Axel Dumas has also taken Hermès into the new technological era, in keeping with the expectations of customers who are becoming more and more connected. The *Apple Watch Hermès*, launched in 2015, bears witness to a bold and innovative partnership with Apple. In addition, the group is stepping up the omnichannel dynamic within its organisation.

On 18 June 2018, Hermès International entered the CAC 40 index, illustrating the remarkable industrial trajectory and stock market performance of an independent, family-run house of artisans that distributes its objects through a dynamic network of 306 stores around the world. For nearly two centuries, Hermès has enriched its métiers without deviating from its strict quality standards. In this regard, the house attaches great importance to pursuing the development of its production in France, through its seventeen manufactures. Defying the trend for industrial standardisation and globalisation, Hermès stands out for its unique business model.

The Hermès store at 24 rue du Faubourg Saint-Honoré in Paris opened in 1880.



Hermès

in key dates

1837

The workshop of artisan saddler and harness-maker Thierry Hermès opens in the Grands Boulevards district of Paris.

1867

Thierry Hermès receives an award at the Universal Exhibition in Paris for the excellence of his work.

1880

Thierry Hermès' son Charles-Émile moves the workshops to 24 Faubourg Saint-Honoré and opens a store selling bespoke harnesses and saddles.

1900

Creation of the *Haut à courroies* bag.

1922

Émile Hermès, son of Charles-Émile, brings the American "universal fastener", later known as the zip, to France, with exclusive rights for its development.

1925

Creation of a golf jacket, the first ready-to-wear garment.

1927

Creation of the first piece of jewellery, the *Filet de selle* bracelet.

1937

Creation of the first silk scarf, *Jeu des omnibus et dames blanches*.

1945

The *Duc attelé*, groom à l'attente design by Alfred de Dreux from the Émile Hermès Collection, representing a horse-drawn carriage, becomes the Hermès emblem.

1949

Creation of the first tie.

1951

Robert Dumas creates the *Chaîne d'ancre* bracelet. The creation of the fragrance *Eau d'Hermès* marks the founding of a new métier.

1956

The bag created by Robert Dumas in 1930 is named the *Kelly* in tribute to Grace Kelly.

1967

Presentation of the first women's ready-to-wear collection.

1973

Launch in Germany of the publication *Die Welt von Hermès*. *Le Monde d'Hermès* is created two years later in France.

1978

Jean-Louis Dumas, Robert Dumas's son, takes the reins of the house. Creation of the watchmaking subsidiary La Montre Hermès in Bienne, Switzerland.

1984

Jean-Louis Dumas creates the *Birkin* bag, named after the singer and actress Jane Birkin. Creation of the first dinner service, *Les Pivoines*.

1987

Hermès celebrates its 150th anniversary with a firework display on the Pont-Neuf bridge in Paris. Ever since, an annual theme has guided inspiration for all of the house's métiers.

1992

Leather workshops are established in Pantin.

1993

Flotation of Hermès International on the stock exchange.

2000

A Maison Hermès opens on Madison Avenue in New York.

2001

A Maison Hermès opens in Ginza, Tokyo. Launch of the first e-commerce website in the United States.

2006

Patrick Thomas becomes Executive Chairman of Hermès.

A Maison Hermès opens in Dosan Park, Seoul.

2008

Creation of the Fondation d'entreprise Hermès under the impetus of the house's artistic director Pierre-Alexis Dumas, son of Jean-Louis Dumas.

2010

Creation of petit h. First high jewellery collection, designed by Pierre Hardy. The first Saut Hermès at the Grand Palais takes place in Paris.

2013

Axel Dumas, nephew of Jean-Louis Dumas and sixth generation family member, is appointed Executive Chairman.

2014

A Maison Hermès opens in Shanghai.

2015

Apple and Hermès launch the *Apple Watch Hermès*.

2018

Hermès International enters the CAC 40. Launch of the new hermes.com website in Europe and China.

2019

A new market launches in Poland with the opening of a store in Warsaw. Opening of the Fitiéu leather workshop, the group's 17th manufacture in France.

2020

Launch of the house's 16th métier: Hermès Beauty. Innovation of the double-sided scarf, printed on both sides. Presentation of the new dinner service, *Passifolia*. Launch of the *Lignes sensibles* high jewellery collection.

The hermes.com website is one of the house's foremost sales outlets, with 30 countries now being open to online sales. At 31 December 2020, Hermès has 306 stores worldwide.



The teams at the Faubourg Saint-Honoré store celebrate the house's 150th anniversary.

The success of the *Kelly* bag, created in the 1930s, has never wavered.



The *Passifolia* dinner service, launched in 2020, comprises 32 colours, a true technical feat.

The Hermès business model

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The Hermès store in Marunouchi, Tokyo, reopened on 8 August 2020. Inaugurated in 1979, it was the first Hermès store in Japan.



2020 highlighted the resilience of the artisanal model upheld by Hermès, which enabled it to act quickly to introduce measures to adapt orders and stocks, and to accelerate the development of online sales. Hermès' strategic vision has emerged stronger from this still-troubled period, due to the house's financial soundness, its capacity for innovation, and digital expertise.

AN INDEPENDENT HOUSE

Hermès has risen to the major challenges presented by the pandemic and tested the strength of its artisanal business model, founded on high standards, the transmission of unique know-how, vertical integration and strong regional anchors. In a period marked by unpredictability, the house continues to assert the independence that fosters its entrepreneurial spirit, in tandem with its family-based shareholding structure.

This model is built on several cornerstones. In choosing quality without compromise, Hermès creates and manufactures objects designed to last, to be repairable and



The leather workshop in Fertilieu, in Isère.

passed down the generations. Creativity and innovation offer constant capacity for reinvention capable of responding to a period of crisis. Lastly, Hermès' output, resulting from exceptional know-how, is more than 60% integrated (from the supply chain to production and distribution), with 80% of objects manufactured in facilities established in France. These factors foster optimised integrated management, and a high level of agility. Concerning distribution, Hermès relies on a balanced, exclusive and controlled omnichannel network that has proved its effectiveness during the pandemic. Faced with restrictions to international travel, the Hermès community has demonstrated its great loyalty at a local level. The group's economic independence and financial health are based on the solidity and durability of its development, and in 2020, sound and rigorous financial management enabled Hermès to preserve all jobs while continuing with its operational investments.

A HOUSE THAT CREATES SOCIAL VALUE

Hermès continues to demonstrate its attachment to creating social value to encourage responsible development. Recruitment continued in 2020, and while the economy was slowed by the pandemic, the group stayed true to its values and was able to protect all of its teams. The salaries of all 16,600 employees were maintained worldwide

without recourse to public subsidies. Furthermore, Hermès pursued its proactive remuneration policy, notably by awarding staff an exceptional bonus of €1,250 in 2021.

Hermès has also taken care to support its partners and suppliers throughout this period by maintaining orders, adapting payment terms, and sharing best practices in health and safety.

AN ENTREPRENEURIAL SPIRIT AT THE HEART OF HERMÈS

Since 1837, an entrepreneurial spirit has guided Hermès in all aspects of its development, notably the transmission of know-how, and responsibility and high standards that respect people and the environment.

This spirit is reflected in the considerable creative freedom that nourishes each métier, allowing the house to find abundant channels for expression. It is also revealed in the house's capacity for constant innovation, which, combined with exceptional craftsmanship, has been an area of particular focus in a year guided by the theme of *Innovation in the making*. This innovative spirit was exemplified by the successful launch of the new Beauty métier in March 2020.

Throughout the world, store managers are free to select the objects that they stock in their stores at the twice-yearly "podiums". The first virtual version of the podium was

highly successful. As a result of this purchasing freedom, each of the 306 Hermès stores worldwide is a unique house of objects.

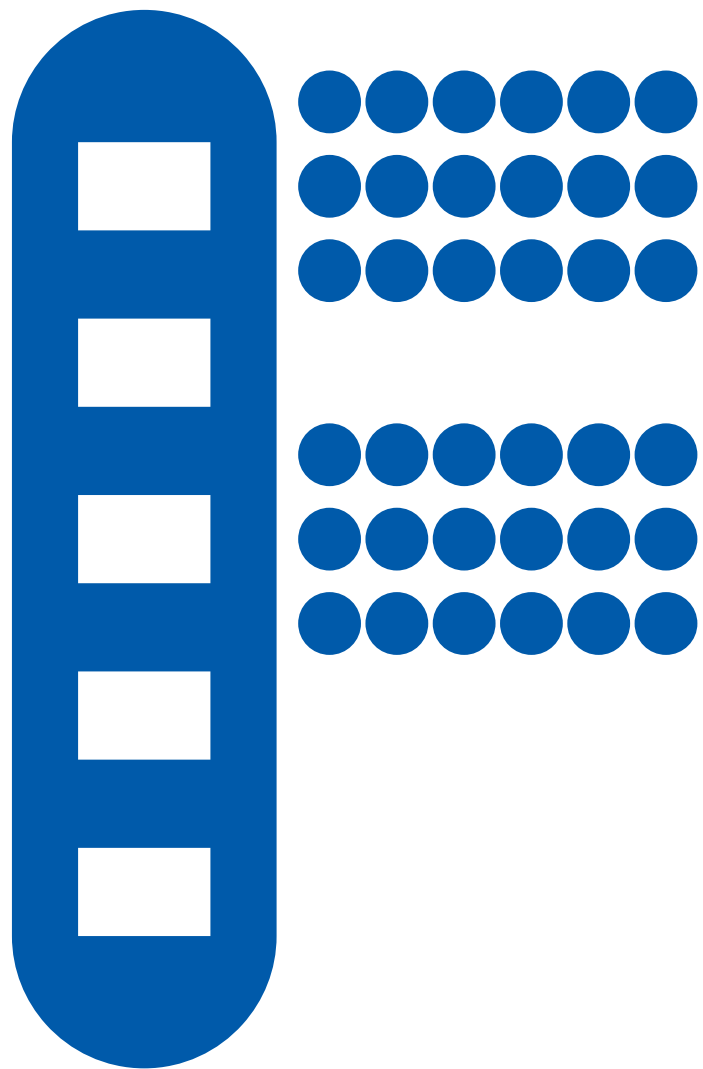
Entrepreneurial spirit is also embodied in the distribution network's capacity to adapt. The company has been able to respond in terms of logistics, the verticality of its network, and order processing, from one region to another as the pandemic evolved, allowing Hermès to meet its customers' needs in every corner of the world. The pandemic has also highlighted the importance of e-commerce and the digital ecosystem, already central to an omnichannel strategy. Hermès was therefore ready for the acceleration in digital habits – thus contributing to maintaining a connection with its customers. This is the outcome of a decisive strategic choice made more than five years ago, aimed at rolling out e-commerce programmes in the main markets, notably in Asia.

Hermès has pursued its investments with confidence. These include the opening or extension of new stores worldwide and plans to open leather workshops and production sites. In the long term, these projects will all contribute to reinforcing the group's independence.

Creative freedom at the core of the house's strategy

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Faced with the unexpected, innovation constitutes a tremendous lever for reinvention. In 2020, *Innovation in the making* guided the métiers' creativity and enabled Hermès to respond to the crisis by offering unique, timeless and durable objects.



“Our hands, our eyes, and our senses work together at Hermès, where collective intelligence always proves to be more effective and more pertinent than the thinking of a single person.

Together we seek, we try, sometimes we fail, and always we start again. At our own pace, at a walk, a trot, or a gallop, we create things that are New and that are Us. And it is because of this shared connection, as invisible as it is powerful, that we endeavour each season to stay true to the manifesto proclaimed in 1928 in one of our catalogues: ‘Our tradition is one of constant creativity!’”

PIERRE-ALEXIS DUMAS

Artistic Director of Hermès

The double-sided scarf, the innovation of 2020. Designed by Ugo Bienvenu, the Wow scarf, a nod to the world of comics, presents a multicoloured French version on one side and a monochrome English version on the other.



L'ÉCLAIR, LA POUDRE

LA TERRE, LE VENT

NOUS SOMES EN LA SPANISSE

C'EST UNE VALLÉE
C'EST LA FEMME HÉRMÈS
HENRI ENFIN!!!

WOW

ELLE EST L'EAU

UN B...

BEAUTY

Destined to embrace make-up and skin care, the new Hermès Beauty métier launched with a first collection, *Rouge Hermès*, devoted to the beauty of the lips. Nestling in their orange box, Hermès lipsticks are objects in their own right. They are available in 24 colours – a nod to the saddler's historic Paris address – derived from the silk colour chart with finishes inspired by the house's leathers. The range will be enriched each year with two limited editions of three shades each. Crafted from noble materials, the lipstick tubes are endlessly refillable. The launch of this new métier has given rise to an unprecedented international campaign. Since *Beauty is a gesture*, the house approaches make-up like an art of living: the art of self-care. Hermès Beauty will be developed in 2021 with the *Rose Hermès* collection, dedicated to blush.

LEATHER GOODS AND SMALL LEATHER GOODS

Some ingenious constructions were unveiled in 2020. Inspired by the shape of a horse bit, the *Hermès Della Cavalleria* bag clasp evokes the house's equestrian roots. The *Drag* travel bag is crafted from a single piece of leather, the *New Drag 22* combines elegance and casual style, while the *Chaîne d'ancre* transforms the house's emblematic chain link. With the addition of numerous exterior pockets and a removable cup-holder,

the *Birkin* becomes the *Birkin 35 Cargo* with a globe-trotting vibe, supple, light and functional, in canvas with leather trim.

Hermès Minuit au Faubourg stands out for its small, elegant format and exceptional materials. Its clasp features a remarkable mechanism inspired by watchmaking expertise. A whole new universe opens up with the *Sac à Malice* – a quirky creation from the 1980s – whose *Space* version tells a tale of space exploration.

Other creations demonstrate exceptional skills, from freehand painting on leather for the *Kelly* and *Birkin* bags, to hand embroidery on the *Roulis Mini* and an ancient silk printing technique for the *Constance Marble Silk*.

The men's collections also offer new interpretations, such as the new version of the *Étrivière Jockey* tote, with leather patchwork motifs inspired by jockeys' silks. Jump stitch embroidery embellishes the *Western* versions of the *Haut à courroies* and *Sac à dépêches* bags, which borrow the top-stitching characteristic of cowboy boots. Lastly, exceptional craftsmanship in sheathing and assembling leathers – forming a dynamic H – give the *Bolide 1923-45 Racing* bag its distinctive look.

The travel universe enters a new dimension with the new wheeled luggage, called the *R.M.S.* – for *Rolling Mobility Suitcase* – that combines

lightness, functionality and advanced technical performance.

Lastly, small leather goods accompany the development of Hermès Beauty, with several formats of lipstick holders and a *Lune* mirror to wear around the neck.

In Tokyo, Osaka and Kobe (Japan), and in Hong Kong, the house held *Bagstage* workshops to introduce the public to the exceptional know-how behind its creations. In an intimate atmosphere, an artisan shared the 12 steps involved in making a *Kelly* bag.

EQUESTRIAN

This year, the house had to forego holding the 11th Saut Hermès at the Grand Palais. However, Hermès' bond with riders and all those with a passionate interest in the equestrian world was maintained through digital initiatives, and new objects for riding were created.

SILK

CHRISTOPHE GOINEAU

Artistic Director of men's silk

The silk métier celebrated the annual theme by offering a scarf printed on both sides for the first time ever. A new milestone in the story of silk, this technical feat was developed in conjunction with printers in Lyon.

In the women's collections, the *Couvertures et tenues de jour*



design is now expressed on a 90cm scarf with the classic version on one side, and a bandana version on the other. This ground-breaking process has even made it possible to offer a bilingual version: with a nod to the world of comics, the 90cm *Wow* scarf by Ugo Bienvenu features a multicoloured French version on one side, and a monochrome English version on the other.

With *Les Léopards modernes*, two of the house's iconic designs (*Les Léopards* by Christiane Vauzelles and *Boucles d'attelage* by Françoise de La Perrière) are combined in the style of a heraldic crest. The year's theme is also illustrated in Octave Marsal and Oliver Dickson's 3D reinterpretation of the classic *Cavalcadour* design by Henri d'Origny, and in the poetic, dreamlike panorama of *Exposition universelle* by Jan Bajtlik.

The double-sided scarf is also found in the men's collections, such as on the *C'est la fête* scarf by Daiske Nomura with two colours on each side. The *Formule chic* scarf presents two distinct designs by Dimitri Rybaltchenko, with the vintage car on one side transformed into a racing car on the other.

The tie collections united know-how and creativity with a model in brushed silk embellished with an appliqué leather chain link, and one in silk denim, like a pair of *trompe l'oeil* jeans.

Lastly, *Innovation in the making* was also the engine for a colourful, temporary display of silk in the Hermès store in Via Condotti, Rome. This immersive digital experience was an entertaining presentation of creations, and a collection derived from "upsilking" – the virtuous transformation of unused or old scarves.



Top to bottom:

Launch of *Rouge Hermès*, Hermès Beauty's collection of lipsticks.

Ultra-supple men's bag in *Volupto* calfskin, autumn-winter 2020 collection.

Right:

140cm scarf in silk and cashmere, men's silk collection, spring-summer 2020.



**WOMEN'S
READY-TO-WEAR**

NADÈGE VANHÉE-CYBULSKI
Artistic Director
of women's ready-to-wear

In 2020, Nadège Vanhée-Cybulski delved deeper into the notion of modern femininity. Inspired by the house's heritage, she creates functional clothes for every moment in the lives of women.

For summer, the clothes are designed for everyday urban use with the inclusion of oversized patch pockets. Fluid materials subtly hint at their construction. Equestrian design codes flow through the summer wardrobe, with halters and harnesses transformed into fasteners for coats and skirts.

The autumn-winter collection was built around three themes: the suit, outdoor wear, and the kilt. With finely crafted details, materials and structure, the suit becomes sensual, the silhouette graceful and fitted. Outdoor clothes are updated in double-face cashmere with Rocabar stripes, technical H canvas and quilted calfskin, imbuing them with generosity and functionality. The equestrian theme is also reinterpreted through the Scottish wardrobe, from which the collection borrows traditional patterns.

This collection was presented at the end of February at the headquarters of the Garde républicaine in Paris, in a space structured by brightly-coloured jumping poles. The set design created a strong synergy between the venue of the runway show, the event's atmosphere, and the collection. In early October, the Paris Tennis Club hosted the runway show for the spring-summer 2021 collection, in the presence of a much-reduced audience, in an organic setting interspersed with columns and mirrors. The event was broadcast live by means of major filming arrangements, allowing the event to reach an audience far beyond fashion industry stakeholders.

Women's ready-to-wear collection, autumn-winter 2020, presented at the Garde républicaine in Paris.



MEN'S

READY-TO-WEAR

VÉRONIQUE NICHANIAN
Artistic Director
of the men's universe

Innovation never ceases to flow through the vision of ready-to-wear developed by Véronique Nichanian, who continues to reinvent the free and elegant wardrobe of the Hermès man. The light, flowing materials of the spring-summer collection exude an air of freedom with invigorating, colourful accents. Certain pieces are reversible, combining lightness, comfort and practicality. The men's wardrobe also gives new life to silk scarves reinvented as loose-fitting shirts and tailored or casual jackets. The autumn-winter collection is confidently radical with a chiaroscuro chromatic range that brightens up winter days. Simple lines form oversized looks in enveloping shapes, and warm materials create texture and depth with sensuality.

This collection was presented at the Mobilier national in Paris in January. The spring-summer 2021 collection was unveiled in early July in the resolutely innovative form of a performance filmed and orchestrated by director Cyril Teste. Entitled *Hors-Champ*, the film focused on backstage scenes and the final adjustments to clothes. It was shot live in a single take at the Hermès workshops in Pantin and is still available to watch on [hermes.com](https://www.hermes.com). In a very restrictive context, this approach creatively reinvented the presentation of the collections.

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Autumn-winter 2020 men's ready-to-wear collection, presented at the Mobilier national in Paris.



THE HOME UNIVERSE

CHARLOTTE MACAUX PERELMAN
AND ALEXIS FABRY
Artistic Directors
of the home universe

2020 started with the launch of the *Passifolia* dinner service at the Gaité Lyrique in Paris. At the threshold between botanical tradition and an imaginary world, this luxuriant porcelain service brings together flowers and foliage from different lands and seasons.

Created by British designer Jasper Morrison, the *Équilibre* line, composed of a chair, armchair and table, is assertively light and simple, despite its complex manufacturing process.

The cancellation of the Milan International Furniture Fair did not affect the success of new creations. On the contrary, they were lauded by the media and very well-received by the public, who were introduced to the pieces via the *Objects for Interior life* campaign. Harmoniously combining form, material and function, these durable objects are firmly in tune with the times.



Top to bottom:

Table and chairs from the *Équilibre* line.

Hat in wool felt, autumn-winter
2020 collection.

ACCESSORIES

SHOES

Pierre Hardy, artistic director for shoes, created surprise with jewel heels and unexpected juxtapositions of materials.

For summer, the women's collection reappropriated the *Chaîne d'ancre Lumière* bracelet to create a precious heel embellished with rhinestones or lacquer to complement a suede goatskin sandal. In winter, an unprecedented union of strips of leather and metal gave rise to precious heels, while riding boots were enhanced with coated canvas and a notched sole.

The men's collection featured some innovative models. A new sneaker entirely in mesh stood out for its suppleness and comfort. The traditional sandal became an espadrille. For winter, the sneaker sole was marked with the new *H en biais* signature in contrasting colours to energise the look.

In autumn 2020, Hermès offered journalists and influencers an unprecedented digital experience to present the spring-summer 2021 collections, sending each one of them an orange box containing an augmented reality set. This experience was widely shared on social media.

JEWELLERY

A light and strong cuff bracelet in anodised aluminium, a true technical innovation, offers an interplay of bright and deep colours. The equestrian universe inspired two new jewellery lines, the first combining Swift calfskin with metal in the form of a bit or a stirrup, while the second brings the vivid colours of jumping poles to horn bracelets.

HATS

The beret entered the collections in a vibrant range of colours. Still with an emphasis on straw in summer and felt in winter, hats featured new weaves and were enhanced with lacquered metal embellishments and coloured grosgrain or woven ribbons.

BELTS

The women's collection included several jewel belts, as well as two exceptional hand-embroidered models with graphic or geometric motifs.

Men's belts offered wearing styles that were urban yet relaxed. Illustrating the annual theme, a new buckle was introduced that can be adapted to two widths of reversible leather in one swift gesture by means of an ingenious mechanism.

GLOVES

The house reintroduced the tradition of models specifically for driving, offering fingerless or standard gloves in wonderfully supple, perforated and hand-stitched glazed lambskin.

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Top to bottom:

Cuff bracelets in anodised aluminium.

Sandal in suede goatskin, autumn-winter collection 2020.



JEWELLERY

PIERRE HARDY

Creative Director of Hermès jewellery

Liberated and contemporary, jewellery was expanded with new designs, including the silver *Réponse* line, created from a “turned-out” jaseron chain enamelled using unprecedented technical know-how.

New wearing styles have shaken off jewellery conventions: the *Kelly Clochette* chain in rose gold and diamonds is tied freely around the neck with its padlock, key and “clochette” key holder inspired by the *Kelly bag*.

The sixth high jewellery collection, *Lignes sensibles*, was unveiled at the Gaîté Lyrique in Paris in September 2020. This sensual collection exudes soft light, while its forms enhance the body for which they delineate a kind of organic map. Like a fabric made of diamonds, the absolute fluidity of the *Contre la peau* necklace demonstrates Hermès’ ability to push back the boundaries of its know-how.

Unveiled in Shanghai (China) in December, this collection was displayed in the Faubourg Saint-Honoré store in Paris in January and February 2021. At the same time, the fifth high jewellery collection, *Enchaînements libres*, continued its tour in autumn 2020, stopping off in Dubai (United Arab Emirates) and Doha (Qatar).

WATCHMAKING

PHILIPPE DELHOTAL

Director of Creation and Development of La Montre Hermès

2020 consolidated the major launches of the second half of 2019, with the continued success of the women’s *Galop d’Hermès* watch and the presentation of new versions of the *Arceau L’heure de la lune*, which explores a classic watch complication – the phases of the moon – in an unusual and unconventional way. The standard functions – hour, minute and date – gravitate above two fixed representations of the moon, giving them the appearance of being its satellites.

This watch was presented in versions featuring exceptional new dials, cut from rare meteorites such as stones from the moon or the planet Mars.

The *Cape Cod* and *Heure H* watches continue to be successfully renewed with interpretations in precious materials.

The “Time, a Hermès object” print and digital campaign continued to be rolled out, expressing a unique relationship with time. This positioning continues to give Hermès a prominent position in the exclusive circle of fine watchmaking, whose members came together virtually in April 2020 for the digital edition of the *Watches and Wonders* fair in Geneva (Switzerland).

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Top to bottom:

The *Apple Watch Hermès series 6*.

À l’écoute necklace, sixth *Lignes sensibles* high jewellery collection presented at the Gaîté Lyrique, in Paris, in September 2020.

Arçon chair by petit h.



THE INTERNET OF THINGS

Since 2015, Apple and Hermès have combined their exceptional technological expertise, iconic watch design, and craftsmanship into the evolving *Apple Watch Hermès* collection. Opening a new chapter in this collaboration, the *Apple Watch Hermès Series 6* encapsulates functionality, ingenuity, connectivity and design. The *Hermès Circulaire* dial, with its numerous features, is entirely customisable.

The *Hermès Attelage* model stands out for its redesigned strap loop, which extends above the case in a subtle interplay of proportions.

HERMÈS HORIZONS

Hermès Horizons designs and manufactures special orders to bring its customers' dreams to life. This flourishing business line draws on the house's creative richness and its artisans' virtuosity. Its bespoke offering was presented to around 30 customers in Beijing (China) in order to develop unique projects with them. From the *Flâneur d'Hermès* bicycle to the *Saint-Barth* surfboard, from table football to mini-golf, creations were presented in a joyful and playful sport-themed display.

petit h

GODEFROY DE VIRIEU
Creative Director of petit h

"Petit h, it's re-creation time!". Through this campaign launched in 2020, petit h exemplifies Hermès' philosophy and values of creativity, exceptional skills, durability and imaginative flair. Objects by petit h are often designed to be used in quirky, unexpected and unconventional ways. This is "creation in reverse", inspired by surplus materials for which the other Hermès métiers have no use. Artists, artisans and designers combine them in a myriad of different ways to create unique objects like the electric guitar or the *Arçon* chair. Moving out of the store in the rue de Sèvres while it was being renovated, petit h crossed the Seine to take up residence at 24 Faubourg Saint-Honoré. Itinerant by nature, petit h continued its tour with two stopovers in 2020: at the GUM store in Moscow (Russia) in March, and the Bellavita store in Taiwan in October. Managed from Paris in an extremely restrictive context, the success of this latest stopover demonstrates the Hermès teams' capacity for action and adaptation.

Lastly, a selection of petit h objects was made available at a pop-up sale on hermes.com, which met with great success.

PERFUMES

CHRISTINE NAGEL
Director of olfactory creation,
Hermès Parfums

In 2020, the perfumes range was joined by a new fragrance and two limited editions.

Inspired by the moment when darkness blends with light, *L'Ombre des merveilles* is an eau de parfum presenting the mysterious radiance of a woody, oriental and enveloping fragrance. Following on from *Eau des merveilles bleue*, it expands the *Eau des merveilles* constellation with a creation for those whose eyes are filled with stars in broad daylight.

Two limited-edition fragrances were released. The *Terre d'Hermès* bottle, featuring Tilman Bartl's graphic lines, depicts several stylised plots of land, like a snapshot of the earth seen from the sky. With the *Charming Twilly* limited edition, the silk ribbon-tie knotted around the bottle of *Twilly d'Hermès* is embellished with a lucky horseshoe charm.

OTHER GROUP MÉTIERS

Cristallerie Saint-Louis · Glassworks founded in 1586, renamed the Verrerie Royale de Saint-Louis in 1767, then the Cristallerie Saint-Louis, joined the group in 1995.

Puiforcat · French silversmiths established in 1915, joined the group in 1993.

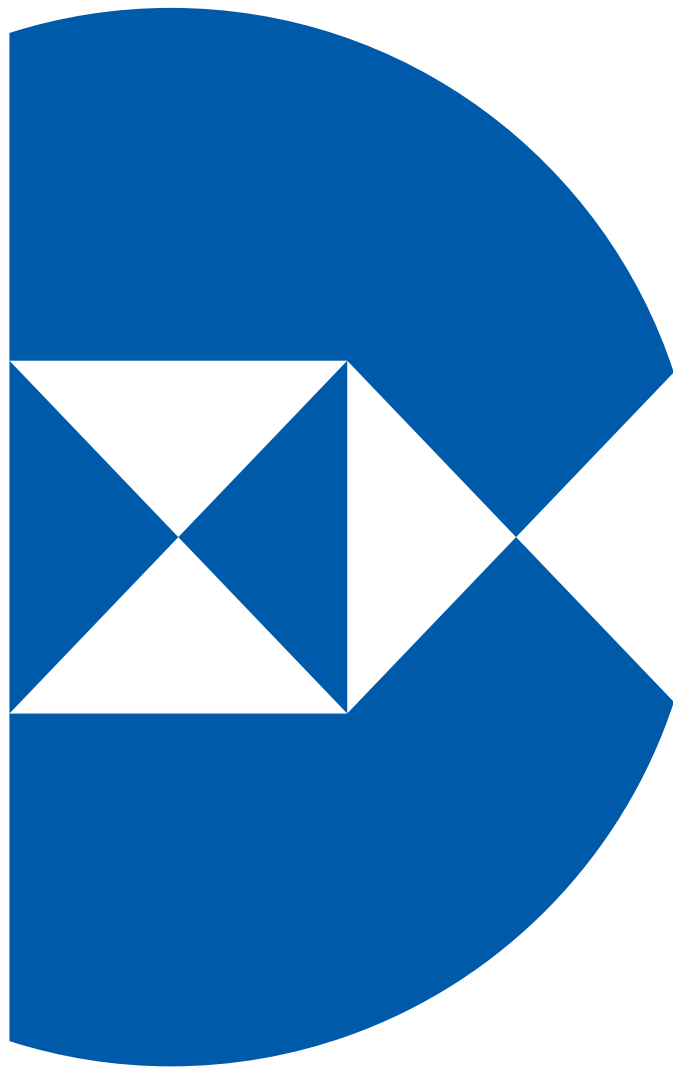
John Lobb · British bootmaker established in 1829, joined the group in 1976.

Shang Xia · A brand dedicated to a contemporary art of living based on Chinese know-how, launched by Hermès in 2010. In December 2020, Shang Xia was deconsolidated following Exor's investment in the company, through which it became the majority shareholder. Hermès will continue to be a key shareholder along with Exor.

Responsible and sustainable development

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As a corporate citizen, by means of its manufacturing model, Hermès is consolidating its social engagement, taking responsible and long-term action through economic, social, educational and cultural initiatives.



The performance of an artisanal model

40



JOB CREATION IN FRANCE

Hermès has continued its investments aimed at increasing production capacity. As the group's manufacturing operations are mainly located in France, it contributes to regional development by creating permanent jobs. Each new leather workshop recruits on average 250 artisans within a human-sized structure of harmonious spaces and views over its surroundings. Together, these factors make it possible to preserve the artisanal dimension of production and to offer high-quality working conditions to all employees.



Building commenced on the future leather workshop in Louviers (Eure) on 4 September 2020, with the opening scheduled for 2022. Seventy people are already receiving training in temporary workshops before they join this new production facility. The teams of artisans will work in an environmentally responsible positive-energy building.

This twentieth leather workshop – and second largest manufacture in the Normandy hub – will also produce saddles to support the growth of the equestrian métier in France, taking production of saddles and bridles outside the workshop at 24 rue du Faubourg Saint-Honoré in Paris for the first time. Work on the future leather workshops in Guyenne (Gironde) and Montereau (Seine-et-Marne) has continued with openings scheduled for 2021. Lastly, two new production sites have been announced: the Maroquinerie de la Sormonne (Ardennes) to open in 2023, followed by a new site near Sayat in Auvergne.

Hermès has also committed to significant investments in the textile sector, at the Pierre-Bénite site, which will occupy three buildings constructed around planted courtyards from 2022. These developments will make it possible to install two additional printing lines in order to support the growth of operations in HTH (Holding Textile Hermès), while more than 120 jobs will be created across the whole sector.

Top to bottom:

Laying the foundation stone of the Maroquinerie de Louviers, in Eure, 4 September 2020.

In its recruitments, Hermès is mindful of professional parity between men and women.

With 1,183 new jobs created in 2020, including through the acquisition of long-standing supplier J3L, Hermès now employs 16,600 people worldwide, of which 10,383 are in France, including 5,617 artisans. The job creation process in France has been undertaken in close collaboration with Pôle Emploi.

For these recruitments, the company continues to be mindful of professional parity between men and women – notably in terms of pay – as well as diversity in people and talents. In this respect, Hermès was ranked fifth in the Diversity Leaders 2021 list published by the British newspaper the *Financial Times*. This independent survey, conducted in 16 European countries, assesses employees' perceptions of the promotion of diversity and inclusion in their working environment.

The house has a long-standing commitment to recruiting and retaining people with disabilities in its various métiers. Signed on 22 July 2020, a second Group Disability Agreement came into effect on 1 January 2021 for a three-year period. The objectives of the first agreement having been surpassed, Hermès seeks to recruit more than the legal requirement of 6% of employees with disabilities. The house also aims to increase its use of the assisted employment sector by 20%.

In 2020, Hermès won the Humpact Emploi France Grand Prix awarded by the

non-financial rating agency Humpact, in recognition of its comprehensive efforts in terms of creating jobs and social best practices.

TRAINING AND TRANSMISSION OF KNOW-HOW

With its long-standing tradition of craftsmanship, Hermès is particularly attached to transmitting its exceptional skills, perfecting them and securing the future of its métiers. It is actively involved in education through training in unique areas of know-how. The in-house leather school, for example, has 80 trainers and works with 12 schools of leather throughout France.

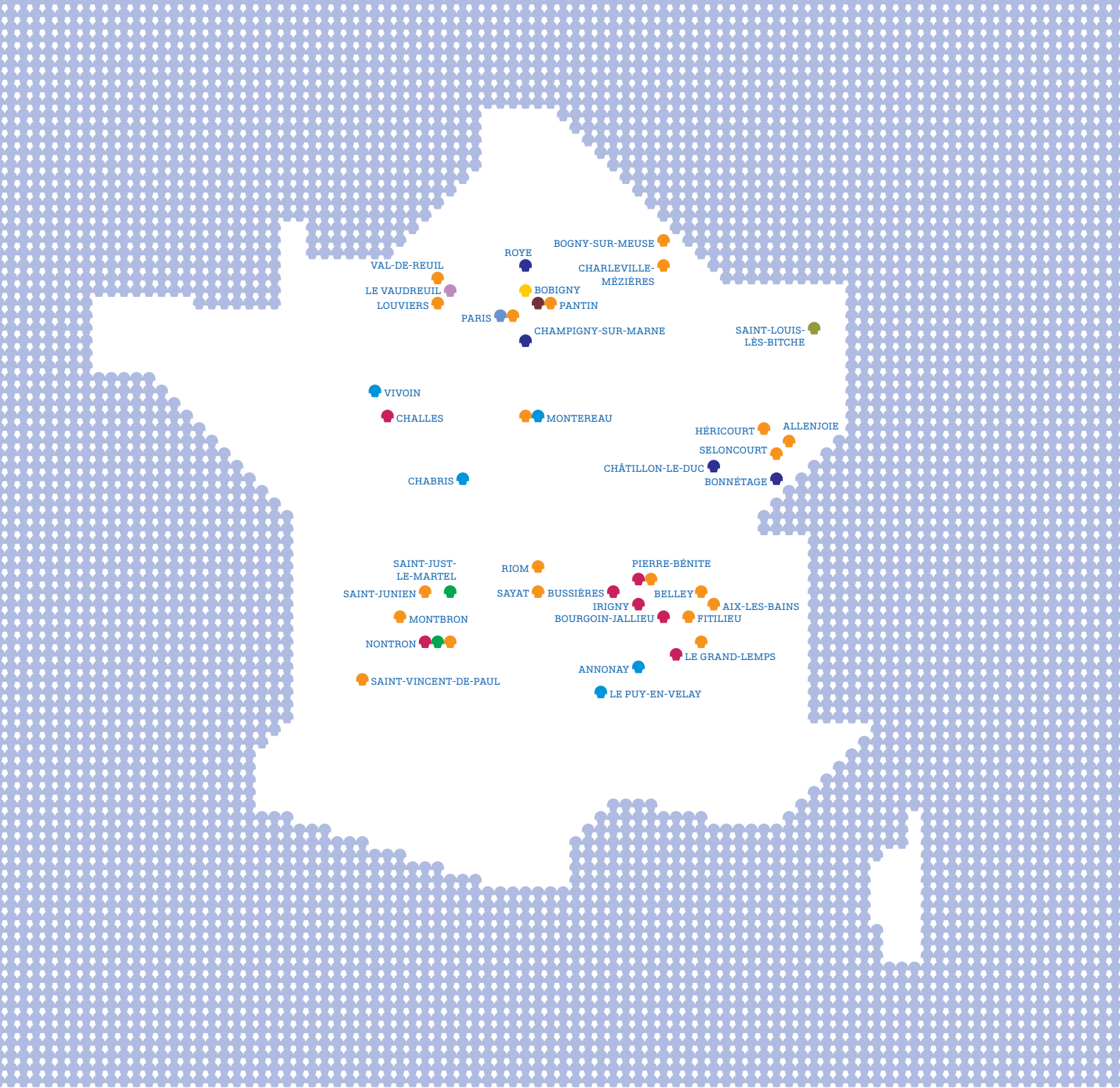
REGENERATING REGIONS

As a socially responsible company, Hermès contributes to the vitality of the regions in which it is established. With 51 production sites located in 9 of the 13 French regions, Hermès supports and sometimes even helps to regenerate economic and social activity, to ensure that shops do not close, that schools increase their numbers, and that community life is re-energised. These aspects all enrich the working conditions of the teams by combining proximity with stable employment.

80% of Hermès objects, and 100% of leather goods, are produced in France. By means of integrated production, the house manufactures 61% of its objects in its internal and exclusive workshops. In 2020, this regional ecosystem continued to grow, in addition to the opening of new leather workshops, with continued investments in the Tanneries du Puy and the Ganterie de Saint-Junien.

Hermès is particularly attached to the transmission of its exceptional know-how.





Production sites in France

- Leather goods / saddlery / gloves
- Tanneries / tawing workshop
- Perfumes
- Textiles
- Metal
- Crystal
- Puiforcat silversmiths
- Porcelain/enamel
- John Lobb bootmaker
- Logistics

Economic development upholding values

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PROTECTING THE ENVIRONMENT

The group develops its activities while ensuring that it controls and reduces its environmental impact. Through its commitments and initiatives, Hermès contributes to the fight against climate change and to protecting biodiversity. Its growth model aims to produce high quality, durable and ecologically responsible objects that are respectful of nature, the source of its exceptional materials. The transparency and security of its supply chains are therefore crucial.

Vertical integration enables best practices to be implemented (strict compliance with regulations regarding animal welfare, a dynamic of regional regeneration, control and traceability), and farms dedicated to exotic leathers to be established; while, in Europe, skins are sourced from sustainable farms in the meat sector. At the same time, Hermès pursues a strategy of research and development into new materials.

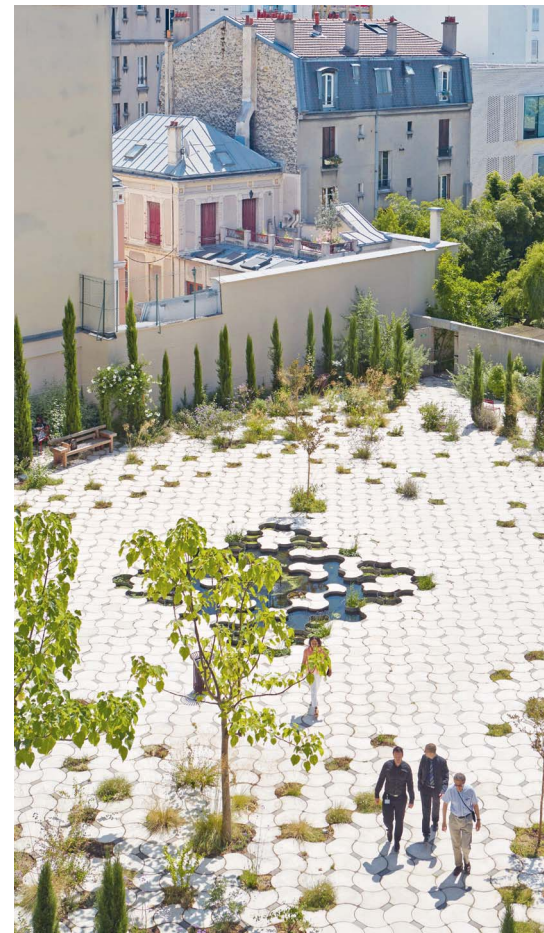
Hermès objects are made to last; they gain a patina over time, they are passed on and

repaired, and they are produced in a way that optimises the materials used, and in accurate quantities, limiting stock and the destruction of unsold goods.

Controlling impacts on natural resources requires thorough knowledge of the sectors and the ecological challenges they face. It also involves stringent internal processes – for example optimising the use of materials and managing water consumption. It is also reflected in a proactive carbon energy plan, reducing consumption, researching renewable energy sources (79% of the group's electricity consumption is green energy), and low-carbon solutions.

100% of Hermès leather goods are made in France. Here, the Ateliers Hermès in Pantin.

In 2020, more than 120,000 care and repair operations were carried out by the house's artisans.



In line with its commitment to the Carbon Disclosure Project and as part of the Task Force on Climate-related Financial Disclosures, the house set the objective of reducing its greenhouse gas emissions by 50% in absolute value for scopes 1 and 2, and by 50% in carbon intensity for scope 3 over the period 2018-2030. The house's trajectory is in line with this objective, with a total reduction over two years of 18% in absolute value, and 24% in relative value for scope 3. Given its artisanal business model, the group is one of the lowest carbon emitters by absolute value in the CAC 40. Hermès has also strengthened its commitment regarding the protection of biodiversity. With Act4Nature International, it has published a strategy with ambitious objectives for internal training, scientific assessment of its footprint, and practical steps for its sites and supply chain. Hermès is therefore in line with the commitments of Business for Nature at an international level.

In 2020, accompanied by the WWF (a partner NGO since 2016) and CDC Climat, Hermès measured the impact of its main métiers with the Global Biodiversity Score. Hermès has also reinforced its partnership with the Livelihoods fund by committing to a third investment fund. The aim of the projects is to improve the living conditions of underprivileged communities for the long term by developing large-scale initiatives for climate action.

SUPPORTING STAKEHOLDERS

Throughout the pandemic, Hermès has been fully committed to supporting its suppliers by maintaining orders, adapting payment terms, and sharing best practices.

These are long-term relationships: 39% of industrial suppliers have worked with the house for more than 20 years. Hermès supports their growth, and to the greatest possible extent uses local resources, embracing its role as a corporate citizen with local responsibilities. Hermès' relationships with its sub-contractors and suppliers is based on trust and shared criteria for quality, as well as ethics, respect for human rights, integrity and transparency.



Above:

The future Hermès production site in Sayat, in Auvergne.

Right:

With 51 production sites in 9 of the 13 French regions, the Hermès group contributes to the vitality of the areas in which it is established. Here, the Maroquinerie de Val-de-Reuil.

For the last two years, 10% of the executive chairmen's variable remuneration has been subject to three CSR criteria: gender equality, actions for regional integration, and industrial energy consumption.



In 2020, in line with its strategy for protecting its supply chain, Hermès acquired two of the house's long-standing partners: the Mégisserie Jullien, supplier of goatskins, in Chabris in Indre, and J3L, located in Champigny-sur-Marne, specialised in manufacturing metal parts for leather goods and fashion accessories.

THE FOUNDATION D'ENTREPRISE HERMÈS

The Fondation d'entreprise Hermès has been more active than ever in support of its beneficiaries and partners. In pursuing its targeted programmes that promote creation, transmission, biodiversity, and solidarity, it has been able to continue initiatives in the field with certain adaptations.

Manufacto, the Skills Factory programme was able to restart in autumn 2020, and has now been followed by 1,400 students from nine regional educational authorities. The continued rollout of this programme throughout France demonstrates the house's commitment to education through its foundation.

In 2020, in spite of ongoing uncertainties, the Fondation d'entreprise Hermès reinforced all its plans to ensure that creative, artisan, eco-friendly, and socially responsible actions continue to be undertaken for the common good.

Find out more at fondationentreprisehermes.org.

Below:

The resumption of the Manufacto programme during the school year 2020-21.



The group's partners and brands:

Textile operations, tannery and precious leather operations, Faubourg Italia, Perrin & Fils, Vaucher Manufacture Fleurier, Bettina, Maison Pierre Hardy.

Customers at the centre of an omnichannel network

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In 2020, Hermès maintained close bonds with its customers, despite the uncertainties that marked the year. The connection was even strengthened by accelerating the house's digital strategy and opening new stores.



HOUSES OF OBJECTS ONLINE...

For several years, Hermès has made the strategic choice to support the rise of e-commerce in Asia in particular, through the overhaul of its platform in Japan, Singapore and Malaysia, not forgetting the creation of the hermes.cn site in China in 2018. The international context in 2020 encouraged the house to pursue this ambition, proceeding to roll out the hermes.com digital store for customers in Hong Kong, Macau and South Korea in the first half-year.

In the autumn, Hermès launched its first e-commerce website in Asia and the Middle East. Thirty countries now have access to an Hermès online store.

As both a showcase and a sales site, the hermes.com website registered high growth in 2020 and is one of the group's busiest outlets with 75% of new customers. It offers an omnichannel pathway: it is now possible to view the objects available in stores nearby and to reserve them online. Innovations in services – distance selling, online appointment booking, customisation of scarves, etc. – make it possible to offer those who are joining the Hermès community a new experience.

...AND PRESENT ACROSS THE WORLD

Driven by a desire to maintain close ties with its customers and to forge new bonds, Hermès opened a large number of stores worldwide in this extraordinary year. While new houses of objects continue to expand the international network, other stores are enlarged, transformed or enhanced to showcase the métiers in the best possible way. This involves, for example, accommodating Hermès Beauty in a dedicated space, or giving jewellery and home collections greater visibility.

Combining local traditions with references to the store in rue du Faubourg Saint-Honoré, each of these stores is unique, just like their ever-remarkable window displays, which project the world of Hermès beyond the confines of the store.

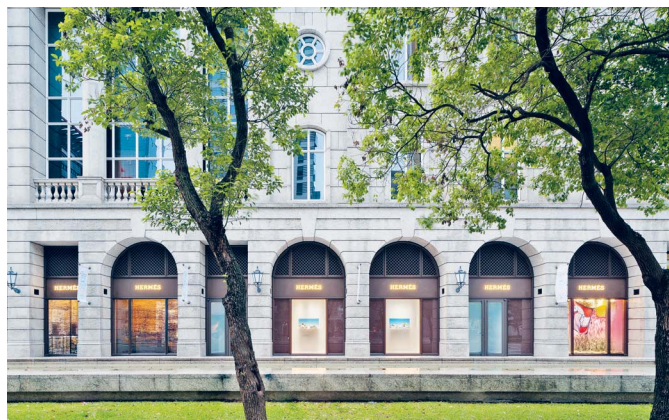
In China, Hermès successfully reopened its **Guangzhou** store at a new location in the Taikoo Hui mall, benefiting from a larger surface area. In **Dalian**, where Hermès has been present since 2004, the public is now received in a new space on two levels in the Times Square mall. In Taiwan, Hermès welcomed its customers to a new store in **Taipei's** Bellavita mall with a much larger space that brings together the local artistic culture, the capital's dynamism, and the saddler's universe. The house is also attached to **Hong Kong**, where it has been

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Top to bottom:

The Hermès Bellavita store in Taipei, Taiwan.

The new store in Sydney, Australia, opened in the heritage Trust Building, a listed historic building.



established since 1975, and now welcomes visitors in an enlarged store in the Harbour City shopping centre.

In Japan, a new sales area has been opened in the Daimaru mall in the lively Shinsaibashi district of **Osaka**. In 2020, the saddler also transformed the **Tokyo** store, the first Hermès store to open in Japan, in 1979, and the **Sendai** store in the Fujisaki mall, the house's only store in Miyagi Prefecture. Finally, a new sales outlet was opened in the Shinsegae department store in **Daegu**, in South Korea.

In North America, the year was marked by four store reopenings. Firstly in Canada, where Hermès doubled the size of its former address in Sherbrooke Street in **Montreal** by moving to the Holt Renfrew Ogilvy department store. Meanwhile, in the United States, an enlarged store was opened in **Denver**, Colorado, on the top floor of the Cherry Creek mall, while in **Las Vegas**, Nevada, a new sales outlet twice as large as the previous one was opened in the upper floors of Wynn Plaza Shops. Lastly, Hermès' métiers are now displayed in a more spacious store at the **Mall at Short Hills**, in New Jersey.

Two new stores have been opened in Europe, in **Madrid** and **Stockholm**. Hermès has reaffirmed its strong, lasting ties with Spain by establishing a presence in the capital's beating heart, in a listed building emblematic of Madrid's neoclassical architecture. In **Stockholm** in Sweden, Hermès reopened on the ground floor of the Nordiska Kompaniet department store, in a listed building with Art Nouveau architecture. In Switzerland, the **Lugano** store reopened in the spring, while in Germany, the store in the Kaufhaus des Westens in **Berlin** has now been renovated and enhanced.

Lastly, Hermès has expanded its network with three new sites in key regions. The store in the Vremena Goda mall in the historic Kutuzovsky Prospekt district has become the third **Moscow** location, demonstrating the house's confidence in the Russian market.

With the opening of a second store in **Kuwait**, in the heart of the Avenues mall – the second largest shopping centre in the Middle East –, Hermès has reached a major development milestone in the region. Meanwhile, in Australia, a new flagship store is now open in **Sydney's** historic Trust Building.

THE HERMÈS COMMUNITY

Hermès has worked harder than ever to build its community and celebrate the pleasure of being together... differently. The special relationship between the house and its customers has grown stronger in spite of the circumstances thanks to engaging communication including podcasts, publishing *Le Monde d'Hermès* online in five languages, home delivery of the magazine, information pertaining to store reopenings, and exclusive services.

The *Joyful Days* event celebrated reunions in stores after lockdown in very colourful surroundings. A range of different activities was on offer, including puzzles, croquet, and a giant mikado. For the festive season, numerous stores celebrated the magic of Christmas with fun workshops for visitors.

These special gestures all nourish the house's unique relationship with its community in the four corners of the earth.

2021 Hermès, an odyssey

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Armed with agility and dynamism, Hermès enters 2021 with confidence in the soundness of its artisanal model. The house plans to increase its investments at various levels, notably in its production capacities. The opening of the Maroquinerie de Guyenne (Gironde) and the Maroquinerie de Montereau (Seine-et-Marne) later in the year will consolidate the house's regional integration.

Strategic investments in research and development are also planned with various partners to devise new plant- and biotech-based materials to expand the house's offering. A first *Victoria* bag in Sylvania, made from Fine Mycelium and combined with H Plume canvas and Evercalf calfskin, will be presented in autumn 2021. Sylvania, a fine, supple material with a yielding and slightly rounded hand and an incredibly soft feel, has its rightful place in the panoply of Hermès' materials. This challenge of innovation demonstrates the house's attachment to the very high quality of its materials.

The distribution network will continue to grow and diversify internationally. In France, the stores in Lyon and rue de Sèvres in Paris have just reopened following renovations. Work is ongoing at the stores in Zurich (Switzerland), Omotesando (Japan), Brisbane (Australia), Macau and Beijing (China). Furthermore, a new store will open in Detroit (United States). Investments will also take place in e-commerce with the launch of the new website in Thailand.

Lastly, in 2021 the house's creativity will be guided by the theme of *An odyssey*: an invitation to continue travelling and confronting the world's uncertainties with confidence.

Creations for 2021 include the new men's watch, *H08*, and a men's fragrance by Christine Nagel, *H24*. The autumn-winter 2021 men's ready-to-wear collection was unveiled at the Mobilier national in Paris in January with a video performance designed with the collaboration of director Cyril Teste. The women's ready-to-wear collection was presented in March with a unique performance in three acts broadcast live from New York, Paris and Shanghai. The home universe collections will be unveiled during the Milan Furniture Fair (Italy), postponed to the second half-year, and the Beauty métier, which will be launched in China in the early summer, will continue to be rolled out. In the equestrian field, the house is delighted to be able to support the competitive endeavours of Olympic medal-winner Steve Guerdat, the newest of the house's partner riders.

H24, the new men's fragrance, was launched in 2021.



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