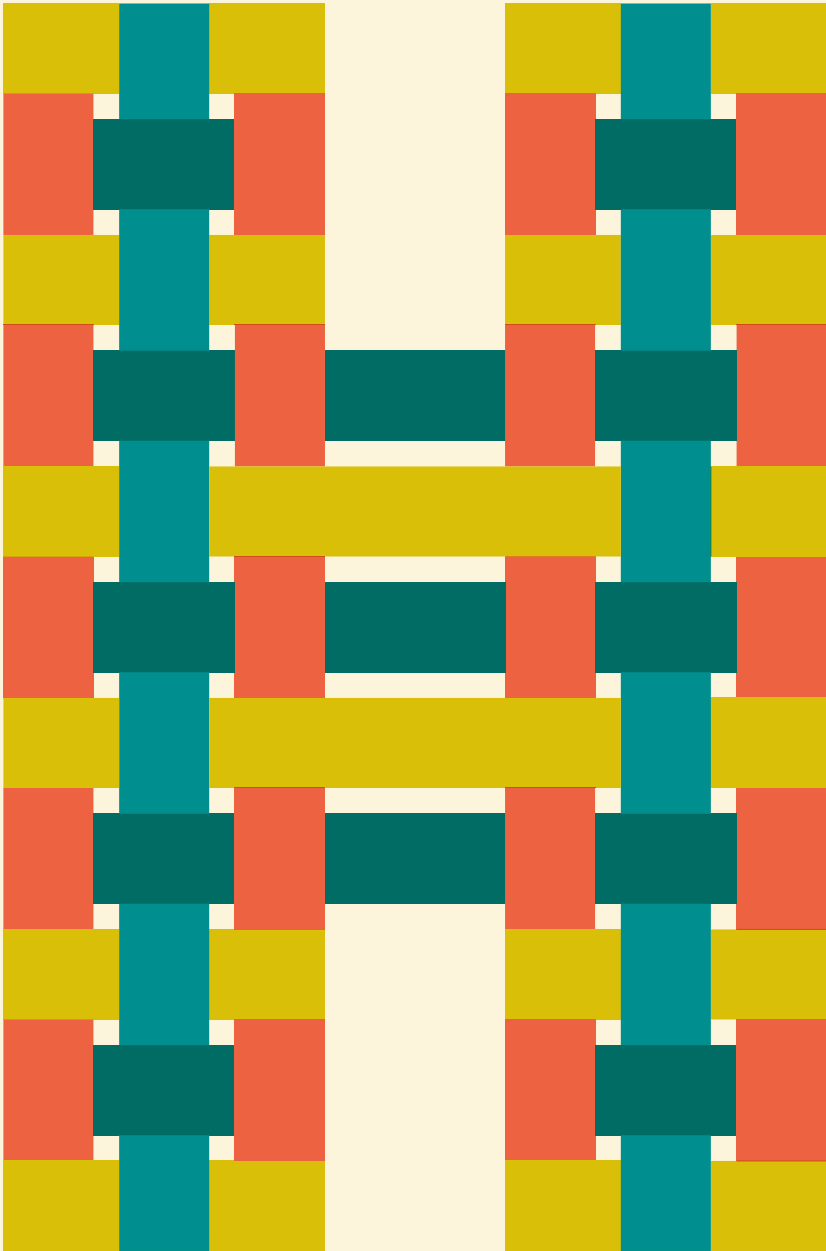


2020 Universal registration document

CSR EXTRACT
Non-Financial Performance Statement (NFPS)



2.8 ETHICS – COMPLIANCE

Introduction

“Hermès is a mosaic of women and men who work hard every day for its development throughout the world. Beyond their uniqueness, the people who bring the Group to life have a common desire to share certain unifying and founding values of the spirit that has characterised Hermès since 1837.

Even though these values are experienced and transmitted above all through personal adherence, the Group's ethics culture reaffirms our

common desire to respect certain fundamental principles that facilitate relations both internally and with customers, suppliers and, more generally, with the environment in which Hermès operates.”

Henri-Louis Bauer – Chairman of the Executive Management Board of Émile Hermès SARL; Axel Dumas – Executive Chairman

2.8.1 PROMOTING ETHICS

The Hermès Group's ethics policy aligns with the universal framework set forth by the major principles, standards and international agreements. The Group has a dual requirement: zero tolerance for breaches of probity on one hand, and a determined commitment to an ethics culture on the other.

Policy

The Group's policy is to maintain healthy and lasting relationships with its employees, customers, suppliers, partners and communities, wherever the Group operates. This approach is structured around a specific governance, demonstrated at the highest level of the organisation, by a policy of promotion and awareness of ethics and integrity issues and by tools that formalize its commitments.

Measures implemented and results

The promotion of ethical values is supported through awareness and training policies for all Group employees. The Group has also put in place prevention and detection systems to prevent any infringement of its principles.

2.8.1.1 FRAMEWORK AND TOOLS

2.8.1.1.1 Promotion and compliance of fundamental conventions on human rights and fundamental freedoms

Hermès is committed to promoting respect for human rights and fundamental freedoms. The Group's ethics policy aligns with the universal framework set down by the major principles, standards and international agreements, and it notably adheres to:

- ◆ the Universal Declaration of Human Rights;
- ◆ the charter of fundamental rights of the European Union;
- ◆ the charter of fundamental rights of the International Labour Organisation, whose principles are grouped under the following themes: freedom of association, forced labour, child labour, discrimination;

- ◆ the OECD Guidelines for Multinational Enterprises;
- ◆ the OECD convention on combating the corruption of public officials;
- ◆ the Global Compact under the aegis of the United Nations.

The Hermès Group and its employees strive to comply with the laws and regulations applicable in all countries where they operate.

These principles have been clearly set forth in the Group's ethics charter since 2009 and in its code of business conduct since 2012, available on the Group intranet and given to all employees, as well as on the website <https://finance.hermes.com/en/ethics-human-rights-and-diversity/>.

Furthermore, the Hermès Group is required to communicate its commitments and actions in terms of protecting human rights in accordance with the Modern Slavery Act (in the United Kingdom) and the California Transparency in Supply Chains Act (in the United States). These statements are publicly available on the respective websites of Hermès entities in the United Kingdom and the United States.

2.8.1.1.2 Ethics charter

The Ethics charter serves to enrich the corporate project around the genuineness of the Group's purpose and ethics. It guarantees respect for the debt of gratitude that we owe to our employees and partners.

This charter does not replace the laws and regulations applicable in the countries where the Group operates, but rather aims to promote compliance with them and ensure their proper application. It is of course in line with fundamental principles such as the Universal Declaration of Human Rights, and the rules of the ILO, the OECD and the Global Compact governing sustainable development.

It is an instrument of progress and dialogue: any employee of the Group who encounters difficulties in understanding or applying it must inform his or her manager.

Henri-Louis Bauer – Chairman of the Executive Management Board of Émile Hermès SARL; Axel Dumas – Executive Chairman

The House's ethics have been enshrined, since 2009, in a 40-page ethics charter, available in 13 languages and updated in 2016, distributed to all employees worldwide. It is also available on the HermèsSphere intranet, under "Our House/Our ethics". It aims to enrich the corporate purpose and to reaffirm the Group's determination to uphold certain fundamental principles in relations with its stakeholders and society. Signed by the Executive Management, it is sent to all new employees as soon as they enter the House and is available on the website <https://finance.hermes.com/en/ethics-human-rights-and-diversity/>.

The ethics charter aims to promote compliance and to ensure the proper application of laws, regulations and key principles. It is designed to be an instrument of progress and dialogue, and encourages employees to seek guidance from their line managers in cases where the principles seem difficult to apply or are open to misunderstanding. It is structured around the following points:

◆ Relations between Hermès and its employees

These relations are people-centric and responsible management inspired notably by a desire to preserve the physical and mental health of employees. This chapter sets out a number of the House's unifying values: trust, exemplarity, excellence, uncompromising standards, recognition, respect, enthusiasm, solidarity, discretion and the search for harmony;

◆ Relations between Hermès and its suppliers

The Hermès Group's excellence project is a long-term mission, based on suppliers' ability to follow the House's fundamental principles. This chapter sets out the main principles of our relations: trust and consideration, selectivity on quality criteria but also in terms of social and environmental issues, long-term and balanced relationships, fair treatment and impartiality, absolute respect of ethics and integrity criteria, transparency in the relationship;

◆ Relations between Hermès and its customers

Hermès seeks to astonish its customers and take them into another world with exceptional creations, products, services and stores. This chapter stresses the need to give everyone the warmest possible welcome, with respect to diversity and culture, to be discreet and to respect the confidentiality of information about customers, as well as ethics with business partners;

◆ Relations between Hermès and its shareholders

These relations are based on transparent disclosure and rigorous management. Hermès wishes to share with its shareholders, without distinction and on the basis of equality, its long-term strategy and its values as well as the results of the business. Hermès strives to harmoniously develop its business and results, protect the Company's assets, ensure governance in line with market best practices, and transparently report on its activities;

◆ Uncompromising principles of Hermès objects

This is identifiable by the style, the *savoir-faire* and the quality of these objects: a highly demanding approach to materials, *savoir-faire* and

attention to detail... applied both internally and externally. The authenticity of materials (including their origin), as well as their crafting, guarantee the long-term nature of Hermès objects;

◆ Relations between Hermès and society

Hermès is an attentive and concerned member of society, committed to its ecological, social, economic and cultural environment. This chapter sets out the Group's values on the following topics:

- in terms of the environment, the House ensures that it respects the environment and works harmoniously with it. It complies with regulatory requirements and aims to anticipate their development whenever possible. It seeks to enhance its production processes by choosing the cleanest possible technologies and the most environmentally friendly products, respecting natural resources and minimising the use of energy resources. It keeps waste to a minimum, recycling it whenever possible. Hermès designs its manufacturing sites so as to blend into the landscape, to prevent accidental pollution and to limit noise and other nuisances;
- regarding its stakeholders, Hermès aims to ensure dialogue and consultation with all stakeholders in order to contribute to the economic and social development of the regions and employment areas where its manufacturing and commercial sites are located. Hermès invests in each of the Company's manufacturing and commercial sites, using local resources as much as possible, so as to contribute to local economic life as well as conduct itself as a socially responsible company, in a spirit of responsibility throughout the region.

2.8.1.1.3 Code of business conduct

"To help make sure that everyone is on the same page, we have formalised this "code of business conduct". Its role is to raise awareness of certain risks and to instill Group employees with behavioural reflexes in response to frequently raised issues.

The sheets below, each of which must be responsible for the proper application of the code, are instruments of progress and dialogue."

Axel Dumas – Executive Chairman

A 32-page code of business conduct, available in 13 languages and updated in 2018, is distributed to all employees worldwide along with a verbal explanation. It sets out the House's guiding principles on a number of operational topics. The code is signed by the Executive Management, and is given to all employees as soon as they join the House. The Group's code of business conduct is available on the website <https://finance.hermes.com/en/ethics-human-rights-and-diversity/>. It was updated in 2018 and redistributed with an explanation of its contents to all Group employees.

The purpose of the code of business conduct is to raise employees' awareness about certain risks and to instill behavioural and alert reflexes. It consists of factsheets, dealing with key issues.

The code sets out whistleblowing protocols as part of a Group system called "H-Alert!". Employees confronted with situations that raise ethics issues, or who believe, in good faith and in an impartial way, that a serious and obvious violation of a code, charter, procedure, law or regulation, of which they are personally aware, has been committed, are encouraged to report the irregularities or breaches, as soon as possible, using the following reporting channels:

The code addresses the following topics:

Extra-professional activities	These must be exercised outside the framework of the Company, not lay claim to belonging to the Hermès Group and not compete with the Group's activities. The Group's policy is not to support any political party and to prohibit any political activism in the name of Hermès.
Benefits and gifts	This sheet outlines the principles governing ethics and transparency with respect to the offering and receiving of gifts, in accordance with local regulations, and Group procedures.
Money laundering	This sheet aims to make employees aware of this illegal practice and its risks. It gives examples of concrete illustrations to monitor and refers employees to the Group's mandatory procedures on the subject.
Confidentiality	This sheet aims to encourage employees to take the necessary measures to protect the confidentiality of the information that they hold as a result of their professional activity, or that of their colleagues. It defines the notion of confidential information, gives examples concerning data security, the control of communication and specific prohibitions in view of Hermès' activity. Among other things, it deals with the subject of social networks, financial information and customer data.
Conflicts of interest	This sheet explains the notion of conflicts of interest, and specifies the types of behaviour that are prohibited. It emphasises the duty of transparency and loyalty.
Corruption	The Group's policy is clear: zero tolerance for corruption of any sort despite the status of the people concerned. This sheet summarises, and offers examples of, the key principles of business relationships, the main regulations on the subject, and potential impact for the Company and for employees. Each employee must refer back to the rules set out on the matter in the anti-corruption code of conduct.
Stock market ethics – prevention of market abuse	This sheet summarises the issues, risks and behaviour to avoid on this subject, in application of the French law and rules in this area. Any employees with access to inside information as a result of their professional duties, must not buy or sell Hermès International shares, until such information is made public.
Discrimination	This sheet reminds employees that the Group has zero tolerance of any type of discrimination.
Personal data	This sheet reminds employees that the Group is particularly sensitive to personal data protection and respect for privacy. All employees, whatever their role, must ensure that they process the personal data to which they have access in accordance with rules set forth by the Group and pursuant to applicable laws and regulations.
Human rights and fundamental freedoms	This sheet describes the Group's ethics policy within the context of the universal framework set forth by the major principles, standards and international agreements to which it adheres.
Environment	Respect for nature, the source of its exceptional materials and the living environment surrounding its sites, is one of the Group's strong and unwavering values. This sheet urges all employees to do their utmost to prevent, or minimise, the consequences of their activity on the environment. All Group employees pay great attention when it comes to protecting nature, preserving biodiversity and ecosystems and managing waste.
Harassment (moral or sexual)	Reaffirming the Group's commitment to fight against harassment, this sheet sets forth elements serving to identify such issues.
International sanctions	The Group and its employees are committed to complying with the international sanctions programmes imposed by the United Nations, the European Union, the United States and by any national legislation to which they are subject.

♦ *via* the line management or *via* Human Resources or the Ethics Committee; or

♦ *via* a technical system specially designed for this purpose and which protects the person reporting, operated by an external provider chosen by the Hermès Group, and for which the link is available on the Group's intranet site ("Our House/Our Ethics").

These reports are treated confidentially and in line with the applicable legal framework, protecting the whistle-blower.

Health & safety	Employee health and safety is a priority for the Group. The Group strives to constantly improve its employees' working conditions and pursues the same objectives with its external partners.
Terrorism	This sheet aims to raise employees' awareness and to increase their vigilance, particularly with regard to money laundering and funding terrorism.
Influence-peddling	The Group prohibits any act of influence-peddling.
Use of Group resources	This sheet highlights the objective of protecting the Group's resources and their use for professional purposes. It lists certain prohibitions (notably from the Group's IT charter).

Echoing the ethics charter, the code of business conduct states in its preamble that Hermès men and women must also act in strict compliance with the laws and regulations applicable in the countries where the Group operates, as well as within the framework of fundamental principles such as the Universal Declaration of Human Rights, the ILO conventions and the OECD guidelines.

The opportunity to revise the ethics charter and code of business conduct is reviewed each year by the Compliance and Vigilance Committee described in section 2.8.1.2.3. Any amendment to these documents must be validated by the relevant member of the Executive Committee.

2.8.1.1.4 Harassment

Hermès does not tolerate any conduct that manifests itself in particular through behaviour, words, acts, gestures or writings that may infringe on a person's personality, dignity or physical or psychological integrity, thereby jeopardising their personal balance, employment or the social climate. In France, harassment is a form of behaviour incriminated by the Labour Code. If intentional, it may constitute an offence, which exposes the perpetrator to criminal conviction. Many countries have similar regulations on the subject.

The Group's policy is that any employee who feels harassed, or witnesses a situation of that nature must disclose it as soon as possible to his or her superiors and/or a Human Resources Manager and/or report it through the "H-Alert!" whistleblowing system, which guarantees the confidentiality of exchanges. Group rules provide for appropriate investigations (such as the establishment of a joint commission of inquiry) depending on the situation so that each case can be examined and dealt with. The Group attaches great importance to everyone's professional development and compliance with the rules of ethics. It takes action against all abusive behaviour.

The prevention of and fight against harassment, whether psychological or sexual, is one of the House's priorities. To achieve this, pairs of Company and SEC Officers were appointed within the French entities to deal with harassment and sexist behaviour. The legal role of the officers was extended to the prevention and fight against moral harassment. In late 2020 and early 2021, each pair of officers (Company and SEC) took part in a training course introduced by the Group labour relations department

and led by an external firm. The objective of this training was to enable the officers to understand the notions of moral harassment, sexual harassment and sexist acts and to know how to classify a situation using the legal framework. This training also makes it possible to identify at-risk behaviours, to encourage the implementation of preventative measures and to react in the event of an alert by knowing how to show empathy and distance. This training was also an opportunity to remind people of the existence of the "H-Alert!" whistleblowing system. In order to promote social dialogue, the Company and SEC Officers have drafted a roadmap for working together as pairs within their company.

In early 2021, all Directors of Human Resources and HR managers in France will be trained in the fight against harassment (sexual and moral) and sexist behaviour, using the same firm that trained the officers. Following this training, the Directors of Human Resources will raise awareness among the members of their entity's Management Committee and then the entire managerial body and employees, through the provision of an awareness-raising kit to be rolled out in 2021.

In addition to the Group's work to combat harassment, local initiatives have been taken by certain entities, such as within Hermès Cuirs Précieux, through the creation of a "Well-being at work" commission made up of Human Resources, members of the SEC and CSSCT, as well as the HSE manager. The Hermès Horloger division has set up an external "trusted person" system as a network of people to report any problems relating to harassment, discomfort or isolation within or outside the Company. This system is in addition to feedback of employees carried out by managers or Human Resources. Furthermore, psychosocial risk (PSR) prevention training has been in place for managers since 2017. It is led annually by the Group Director of Labour Relations. This training makes it possible to make managers aware of the existence of these PSRs (stress, harassment, workplace violence, burnout, etc.); it also allows them to learn to detect situations that may lead to these PSRs and to identify early warning signals. The objective is to know how to detect a difficult situation as soon as possible and provide a rapid and appropriate answer. This training is also an opportunity to raise manager awareness on workplace health and well-being measures, a series of collective prevention measures designed to improve physical and psychological health and well-being at work. Roll-out of this theme began in France, and they will be extended internationally.

2.8.1.2 GOVERNANCE

2.8.1.2.1 Ethics Committee

The Executive Committee oversees all ethics issues. It is supported by an Ethics Committee which was set up in 2018. It comprises the Executive Vice-President of Governance and Organisational Development, who is a member of the Executive Committee and chairs the meetings, the Group General Counsel, the Director of Human Resources and the General Counsel Compliance.

The committee oversees ethics actions with three main duties:

- (i) advise on the Group's ethics culture and make recommendations;
- (ii) receive alerts (through various reporting channels);
- (iii) direct and monitor the treatment of alerts.

The Ethics Committee meets as often as necessary.

2.8.1.2.2 Legal compliance department

The main task of the legal compliance department is to design, develop and implement compliance programmes and ethics policies worldwide, to identify, evaluate and control the compliance risks to which the Hermès Group is exposed, to verify compliance with the various laws and regulations, and ensure the coordination, implementation and updating of compliance programmes, in close cooperation with the Group's various departments. The position of General Counsel Compliance reports to the Group General Counsel, who reports to the Executive Vice-President of Governance and Organisational Development, member of the Executive Committee, who in turn reports to the Group's Executive Chairman.

The independence of the General Counsel Compliance is ensured by direct reporting, on a regular basis, to the Executive Vice-President of Governance and Organisational Development. Meetings are accordingly held on a regular basis.

The General Counsel Compliance chairs and oversees the Compliance and Vigilance Committee. He reports on the actions and decisions of the Committee to the Executive Vice-President of Governance and Organisational Development. He is also a member of the Ethics Committee, chaired by the Executive Vice-President of Governance and Organisational Development.

The legal compliance department relies on the in-house counsels in the Hermès International legal department, based in Paris, on subsidiaries' legal departments (in Lyon, New York, Shanghai, Singapore, Seoul and Tokyo) and on the Group's network of internal controllers, to deploy compliance programmes and ethics policies within the Group.

These employees take part in the implementation and management of compliance programmes, including the corruption prevention plan, as well as the deployment of ethics policies in all of the Group's *métiers* and entities. They verify in particular that operational and *métiers* staff apply the policies and procedures put in place.

2.8.1.2.3 Compliance and Vigilance Committee

The Compliance and Vigilance Committee is composed of the following people:

- ◆ General Counsel Compliance;
- ◆ Group General Counsel;
- ◆ Director of Audit and risk management;
- ◆ Director of sustainable development;
- ◆ Director of Consolidation and Management Control;
- ◆ Group Director of Labour Relations;
- ◆ Group Direct Purchasing Manager;
- ◆ Group Indirect Purchasing Manager;
- ◆ Group Director of Retail Activities.

The Compliance and Vigilance Committee meets regularly.

Its duties specifically include:

- ◆ to define compliance guidelines;
- ◆ to design and implement prevention and monitoring actions in terms of supplier vigilance, fraud and the fight against corruption for all Group entities;
- ◆ to manage the deployment of awareness-raising and training campaigns for employees most at risk.

For example, in 2020, the Compliance and Vigilance Committee monitored the process of updating the Group's corruption risk mapping and oversaw the strengthening of the Group's third-party integrity assessment systems and accounting controls dedicated to the fight against corruption.

Generally speaking, the Compliance and Vigilance Committee:

- ◆ provides expertise by analysing regulatory and legislative requirements;
- ◆ disseminates a culture of compliance by relaying the programmes to the entities' governing bodies and employees;
- ◆ ensures programme coordination and consistency;
- ◆ develops the Group's policies in this area.

2.8.1.2.4 Network of compliance liaison officers within the Group

Legal teams located in France (Paris and Lyon) and abroad, particularly in the United States, China, Japan, Singapore and South Korea, make up the network of compliance liaison officers. They act with the Group legal compliance department and with the Group Data Protection Officer in order to develop, facilitate, coordinate and monitor compliance programmes and ethics policies within the Group. Legal teams have access to a compliance review framework developed in collaboration with the legal compliance department.

Internal controllers and auditors also play a role in the implementation and monitoring of procedures on these subjects (see 4.3 "Risk management, internal control and internal audit"). Internal Group controllers have access to a compliance review framework and second-level control plan developed in collaboration with the legal compliance department and the audit and risk management department.

2.8.1.3 PREVENTION AND DETECTION MEASURES

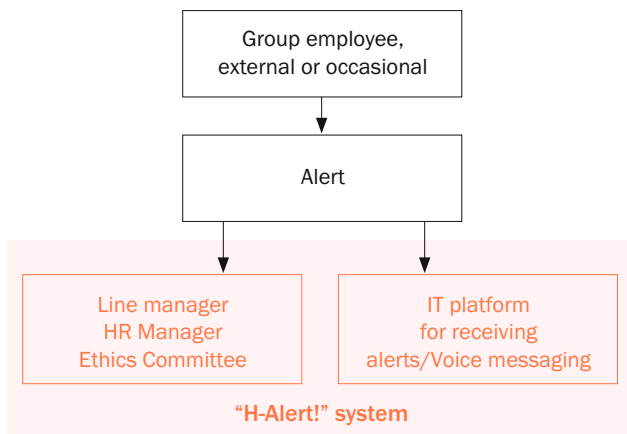
2.8.1.3.1 Professional whistleblowing line

In order to ensure compliance with laws and regulations and reinforce the fight against breaches of ethics and integrity, the Group has implemented a global alert system, “H-Alert!”, designed to enable its employees around the world, as well as its external and occasional employees, to report any malfunctions of which they are personally aware.

The “H-Alert!” system is used to report serious cases that could constitute a breach of a legal standard as defined in Article 6 of law No. 2016-1691 of 9 December 2016, known as the Sapin II law, or a breach of the Group’s codes, procedures and ethics standards, as well as to signal the existence of risks or serious infringements of human rights and fundamental freedoms, health and safety of people, or the environment, resulting from the Group’s activities and/or those of its subcontractors or suppliers.

The information notice regarding the whistleblowing system reminds employees that they are protected from any type of retaliation if the reporting is made in accordance with the “H-Alert!” system. Employees are encouraged to report the aforementioned irregularities or breaches, as soon as possible, using the following reporting channels:

- ◆ to their direct or indirect line manager or above, to Human Resources, or to the Ethics Committee;
- ◆ using an intranet platform, a secure, independent technical system, or by voice messaging, systems available 24/7 and operated by an external service provider. These alerts are forwarded to the Ethics Committee.



Within 15 days following receipt of the alert through any means, the whistle-blower will receive a written and dated acknowledgement of receipt. The acknowledgement of receipt specifies a reasonable and foreseeable expected deadline (about one month) for examining the alert.

This technical system is available in 18 languages. It was validated by the Group’s governing bodies and communicated to all Group entities and structures. An information notice has been forwarded and explained to all Group employees.

In 2020, 43 alerts were received through the “H-Alert!” system. All alerts are monitored and some cases are still being examined.

The Group has introduced effective measures guaranteeing the confidentiality of information and processing of reports at all times. The whistleblowing system also allows Group employees to report an incident anonymously. Where appropriate, following an investigation, disciplinary sanctions may be decided upon and implemented against employees who violate the Group’s ethics rules.

Furthermore, in the event of a breach or situation contrary to the ethics, social and environmental principles, the Hermès Group has provided its suppliers and subcontractors with a whistleblowing mechanism in the form of a generic email address. These alerts are analysed by the legal department and the purchasing department.

An identical alert mechanism in the form of a generic e-mail address was used in 2020 for our concessionaires, distributors and commercial intermediaries to collect any reports in the event of a breach or situation contrary to ethics, social or environmental principles. These alerts are analysed by the legal and retail departments.

The Company undertakes not to impede access to legal or other available mechanisms, including mediation processes, for persons reporting negative impacts, especially on human rights, and undertakes to protect the whistle-blower.

2.8.1.3.2 Sanction system

The sanctions system in place for compliance programmes corresponds to the system of sanctions described in the internal rules of procedure, any breach of ethics and integrity being contrary to the Group’s intrinsic values and internal rules laid down in this area.

In accordance with existing law, all of the Group’s French entities with more than 20 employees have internal rules of procedure that devote a chapter to disciplinary law and the right of defence.

On an international level, depending on the local applicable law, either the internal rules of procedure set out rules on disciplinary matters, or an employee handbook contains rules on disciplinary law; both include anti-corruption measures.

2.8.1.3.3 Audit of the application of ethical values

Internal control evaluations, and internal and external audits on the application of Group procedures are carried out regularly at the Group’s companies and métiers, as well as at its significant suppliers and partners. Among other areas, these audits cover compliance with ethics procedures, the fight against corruption, combatting money laundering, the protection of personal data, respect for the environment, respect for human rights and fundamental freedoms, hygiene, health and employee safety. The methodology of these controls and audits is described in section 4.3 Risk management, internal control and internal audit”.

Group procedures were reinforced in 2020 to include gifts offered by and to third parties, conflicts of interest, sponsorship, communication, evaluation of third parties and combatting money laundering.

2.8.1.3.4 Training on ethics issues

Several Group internal departments offer employee training, particularly, the legal department, the human resources department, the purchasing department, the industrial affairs department and the audit and risk management department.

All these departments invest heavily in this training initiative.

Training provided by the legal department

Specific face-to-face training modules on the Group's ethics and anti-corruption policy, the contents of which are adapted to the teams, subsidiaries and *métiers* in question, are delivered by the legal compliance department to those employees who are most exposed to the risks of corruption, as identified and prioritised in the Group risk mapping. They aim to provide employees with the knowledge and tools needed to prevent and detect at-risk situations and to determine the behaviour to adopt in such cases.

During the 2020 financial year, the training programme continued despite the health crisis and face-to-face training was provided in the Group's entities, *métiers* and subsidiaries.

The roll-out of these training sessions is closely monitored by the legal compliance department, in collaboration with Internal Control and Human Resources.

In addition, an online Group e-learning system dedicated to ethics and combatting corruption has been set up. Its purpose is to enable all employees worldwide, as well as their external and occasional employees, to be able to prevent risks of corruption and breaches of ethics. This e-learning system includes a comprehension and simulation exercise to ensure that employees have fully understood the risks of corruption and how to manage them. This e-learning will be rolled out in 2021 and made mandatory for all people considered to be exposed to the risk of corruption in accordance with the Group's corruption risk mapping.

Other training aimed at preventing the risks of corruption and breaches of ethics

An "Ethics, integrity and anti-corruption" module, introduced by the human resources department, is designed for all in-store sales staff in Group entities. In 2020, 1,412 people followed this training. The aim of this module is to present the risks of corruption to sales staff. They learn about different forms of corruption and how to effectively combat risks of corruption in their daily tasks. Lastly, they learn about the tools and procedures that sales staff can use in case of doubt. Attendance at these training sessions is monitored by the signing of an attendance sheet. This module is regularly delivered in all subsidiaries worldwide. Since the module was set up in 2017, 6,942 people have received training.

The objective is to train all distribution subsidiary employees: whether their contract is fixed-term, permanent, temporary or as an intern, etc. and whatever their role (Group management, Management Committees, support, sales associates, stockists, cashiers, managers, etc.).

The content of this training module will be updated in 2021.

Furthermore, two anti-corruption e-learning modules for sales teams have been introduced by subsidiaries in the United States and China. Sales associates can access an IT tool that clearly sets out what constitutes an act of corruption, what the risks of corruption are in their duties and how to deal with them. These e-learning sessions are followed by a comprehension and simulation exercise to ensure that sales staff have fully understood the risks of corruption and how to manage them. Some 755 employees of the Hermès Of Paris subsidiary in the United States benefited from this e-learning in 2020.

The purchasing department provides training for purchasers and, makes them aware, in particular, of the risks of corruption in their daily tasks. In 2020, purchasers were again made aware of the assessment of the integrity of third parties through a meeting organised for direct purchasers and an indirect purchasing day attended by 60 participants.

The audit and risk management department trains its internal controllers and participates in the Group training sessions in order to promote an awareness of risk management and internal control best practices amongst the management. Training on ethics and compliance issues continued this year with the organisation of three seminars by the audit and risk management department for internal controllers in all Group entities throughout the world.

2.8.2 THE FIGHT AGAINST CORRUPTION

"Combatting corruption is a clear commitment for the Hermès Group.

Combatting corruption is part of an ethical approach to which the Hermès Group is fundamentally attached. It involves a determined commitment to comply strictly with laws and regulations applicable in all of the countries in which the Group operates. This commitment applies to all of the Group's internal ethics and compliance policies and procedures.

Combatting corruption further means forbidding any conduct contrary to these rules and principles and promoting within the Company an ethics culture that leaves no place for dishonest conduct.

Combatting corruption thus also means including this ethics culture in all of the Group's policies, actions and decisions. As ethics is a matter that concerns everyone, these principles must govern Hermès Group's daily operations including managerial, commercial and operational activities."

Axel Dumas – Executive Chairman

POLICY

Corruption is in contradiction with the values of the Hermès Group. The Group has a dual requirement: zero tolerance for breaches of probity on one hand, and a determined commitment to an ethical culture on the other.

The Group's policies in terms of ethics and the fight against corruption are clearly set out in the code of business conduct, available on the Group intranet as well on the website <https://finance.hermes.com/en/ethics-human-rights-and-diversity/>.

The Hermès Group continues to improve its corruption prevention plan, in accordance with the requirements of French Act No. 2016-1691 of 9 December 2016 on transparency, the fight against corruption and the modernisation of economic life.

Furthermore, the Group conducts global legal monitoring of legislative changes on the fight against corruption and complies with current legislative and regulatory requirements both in France and in countries abroad in which it operates, such as the Foreign Corrupt Practices Act in the United States, the United Kingdom Bribery Act and Legislative Decree 231 in Italy. This monitoring is carried out in-house and by external firms.

2.8.2.1 COMMITMENT OF THE GOVERNING BODY

The governing body's commitment can be seen at the Group's highest level. Alongside other members of the Executive Committee, Axel Dumas, Executive Chairman, drives compliance with ethics rules, applying a firm policy of zero tolerance of any act of corruption.

Corruption risk mapping, initiated by the governing body and driven by the legal compliance department, was signed by all the members of the Executive Committee, thus clearly demonstrating the importance put on analysing and identifying Group-specific risks.

The fight against corruption in all its forms permeates all the Group's policies and procedures.

2.8.2.2 GOVERNANCE

2.8.2.2.1 Legal compliance department

The governance of the legal compliance department is explained in section 2.8.1.2.2 above.

2.8.2.2.2 Compliance and Vigilance Committee

The governance of the Compliance and Vigilance Committee is detailed in section 2.8.1.2.3 above.

2.8.2.2.3 Network of compliance liaison officers within the Group

The governance of the network of compliance liaison officers within the Group is detailed in section 2.8.1.2.4 above.

2.8.2.3 ACTIONS IMPLEMENTED AND RESULTS

2.8.2.3.1 Risk mapping

"We are committed to promoting a culture of compliance, integrity and transparency that is vital for risk assessment. This anti-corruption risk map, as well as a whole range of recommendations made within the context of mechanisms to control these risks, are part of this approach. They will feed into action plans to improve the prevention of, and the fight against, all forms of corruption within our Group."

Axel Dumas – Executive Chairman

A Group corruption risk mapping was produced jointly by the legal compliance department and the audit and risk management department and was approved by the Group's Executive Committee.

A first Group corruption risk mapping exercise was prepared in 2018 and updated in 2020.

Risk mapping covers all of the Group's activities in all the geographical areas where it operates. Each risk scenario identified corresponds to a potentially risky behaviour or situation in terms of corruption or influence-peddling and specifies the geographical areas and *métiers* that are most affected so as to determine the priority measures to be taken as part of the corruption prevention plan. For each risk scenario, the activities and geographical areas concerned, the third parties involved as well as the aggravating factors are targeted.

The participation of many key stakeholders across the Group has also ensured a good representation of the Group's activities and processes at different levels of responsibility (management and operational) as well as full coverage of the geographical areas in which the Group operates.

The methodology used for the Group's risk mapping is as follows:

- ◆ identification of the Group's risk scenarios resulting from an audit of existing processes and systems, a documentary review, as well as interviews with Senior Executives and operating functions;
- ◆ prioritisation of these risks: the importance of each scenario was measured according to the impact that its occurrence would have as well as the likelihood of its occurrence (its probability of occurrence), weighted by the control mechanism in place, resulting in a distinction between gross and net risks.

This approach has resulted in a detailed, objective and structured analysis of the corruption risks to which the Group is exposed in the course of its activities. It has also made it possible to identify individual risks to be dealt with as a priority and assesses the efficiency of mechanisms to control these same risks with the aim of making constant improvements.

Following the update of the mapping in 2020, the action plans corresponding to each risk scenario were redefined in order to respond in a proportionate and effective manner to the challenges facing the Group.

Group entities, with the help of the legal compliance department, conduct corruption risk analyses on the *métiers*, entities and countries, according to the risk scenarios identified in the Group's corruption risk mapping.

2.8.2.3.2 Anti-corruption code of conduct

An anti-corruption code of conduct, drafted in 2018 from the results of the Group's corruption risk mapping, is available in 18 languages. This code of conduct was validated by the Group's governing bodies and communicated to all Group entities and structures. It has also been provided to each Group employee.

This anti-corruption code of conduct has a global reach and applies to all Group employees.

"This anti-corruption code of conduct (the "Code of Conduct") is in line with the commitments taken by the Hermès Group in the area of ethics and integrity. It sets forth the personal commitment of the Hermès Group's Senior Executives and forms an integral part of the values and principles that unite all Hermès Group employees."

Axel Dumas – Executive Chairman

This code:

- ◆ defines offences entailing corruption and influence-peddling, along with the stakes involved and the various forms they may take;
- ◆ describes and illustrates, with clear examples and case studies that are relevant to the corruption risk mapping, the types of behaviour that are prohibited;
- ◆ sets out the commitment of the Group and its governing bodies in terms of the fight against corruption and influence-peddling;
- ◆ enables all Group employees to identify at-risk situations and adopt appropriate behaviours;
- ◆ defines offences;
- ◆ introduces the "H-Alert!" whistleblowing system which is the subject of a separate procedure.

In particular, this code describes rules on gifts and invitations, relations with third parties and public officials, the ban on facilitation payments, management of conflicts of interest, patronage and sponsorship, representation of interests, etc.

The opportunity to update the anti-corruption code of conduct is reassessed each year by the Compliance and Vigilance Committee.

The anti-corruption code of conduct is available on the website: <https://finance.hermes.com/fr/ethique-droits-humains-et-diversite/>.

2.8.2.3.3 An internal whistleblowing system

The Group's internal whistleblowing system "H-Alert!" is described in section 2.8.1.3.1 above.

2.8.2.3.4 Procedures for assessing the situation of clients, tier 1 suppliers and intermediaries

The Group's business model primarily consists of purchasing raw materials from suppliers and manufacturing most of its products in-house, which are then mainly sold through stores, the majority of which are owned by the Company (branches), to customers who visit said stores. Upstream, *i.e.* relationships with goods suppliers and service providers, accounts for most of the Group's relationships with third parties.

To a lesser extent, the Group also has downstream relationships, with concessionaires, distributors and business intermediaries in some *métiers*.

The Group develops long-term relationships with its partners, thereby protecting its sources of supply and business relationships.

The commitments made by the Group and its partners focus on the following points:

1. Good labour practices: prohibition of child labour, prohibition of forced labour, compliance with health and safety rules, respect for freedom of association, non-discrimination, respect of working time, appropriate compensation, prohibition of illegal work.
2. Best environmental practices: compliance with environmental regulations, management of natural resources and consumption, effluent and waste, respect for biodiversity.
3. Good ethical conduct: the fight against corruption and money laundering and recommendations on best practices in relation to subcontracting.

On an operational level, each *métier* or entity is responsible for managing its relations with third parties, monitoring the challenges identified and the implementation of corrective actions with third parties. Experience has shown that adopting a *métier* or entity approach guarantees third party proximity, awareness of the challenges ahead and realistic systems that comply with the Group's rules. Nevertheless, to ensure that the Group's anti-corruption system is well implemented in *métiers*, entities and subsidiaries, coordination of procedures, tools, training and controls is carried out at Group level by the legal compliance department.

To ensure their partners' integrity and compliance with anti-corruption regulations, the *métiers* and entities have the following tools at their disposal:

- ◆ risk mapping;
- ◆ procedures for entering into business relationships with third parties;
- ◆ procedures for selecting suppliers and subcontractors, business intermediaries, agents, distributors and concessionaires;
- ◆ an IT tool for assessing the integrity and reputation of third parties, set up with the help of an external service provider and accessible to all Group entities;
- ◆ analysis grids and questionnaires to assess third party risk levels;
- ◆ a list of "sensitive countries";

- ◆ a procedure to prevent money laundering and corruption;
- ◆ a suppliers' charter, a business ethics charter for the selling of products and compliance clauses to ensure third parties' commitment to complying with social, environmental and ethics policies, including anti-corruption regulations;
- ◆ external evaluations on third-party compliance and integrity risks;
- ◆ rights of access and right to request documentation;
- ◆ the right to conduct internal and external on-site audits and, if necessary, to implement corrective measures.

The *métiers* and entities are required to monitor their relationships with third parties and to update their assessments and engagement policies on a regular basis. The Group ensures that *métiers* and entities comply with these third party assessment policies by means of internal control and internal audits conducted by the audit and risk management department, as well as through controls carried out by the legal department.

2.8.2.3.5 Accounting control procedures

Internal control and risk management procedures relating to the preparation and processing of accounting and financial information, as described in section 4.3, form an integral part of the Group's anti-corruption system and, in particular, are aimed at preventing and detecting any act of corruption. Controls on accounts deemed "more sensitive" in terms of the fight against corruption are regularly strengthened. In 2020, an accounting control procedure dedicated to the prevention and detection of corruption and influence-peddling was put in place.

Furthermore, annual self-assessment campaigns (see section 4.3.4.1) are an important tool when it comes to the process of applying accounting control procedures across all the Group's entities.

The audit and risk management department monitors the proper application of these procedures during its internal audits.

2.8.2.3.6 Training system for executives and employees most at risk

The training system is described in section 2.8.1.3.4 above.

2.8.2.3.6 Disciplinary regime for sanctioning violations of the anti-corruption code of conduct

The sanctions system is described in section 2.8.1.3.2 above.

2.8.2.3.7 Internal control and evaluation system

In order to verify the proper application of its anti-corruption system, the Hermès Group has deployed a control plan based on three levels:

- ◆ the first level of control is implemented directly by operational staff. It involves applying, on a daily basis, the principles and steps described

in Group procedures on ethics and integrity and, in particular, those relating to the fight against corruption and influence-peddling;

- ◆ the second level of control involves internal controllers in each entity/*métier*, working in close collaboration with the legal department, in particular, on the proper application of procedures relating to the fight against corruption. To this end, the legal compliance department and the audit and risk management department have drawn up a dedicated anti-corruption work programme for all of the Group's internal controllers;
- ◆ the third level of control is operated by the audit and risk management department when it audits the *métiers* and entities. This control assesses the implementation of the anti-corruption and influence-peddling policy of the *métier* or entity in question. The audit and risk management department also conducts audits of the various Group anti-corruption programmes.

2.8.3 PERSONAL DATA PROTECTION

Respect for privacy is more than a legal obligation, it is a Hermès value and an essential commitment to maintaining a relationship of trust with our employees, customers and partners.

POLICY

Since 2015, the Hermès Group has adopted a set of rules to protect the personal data of its customers in the form of Binding Corporate Rules (BCR). These BCRs, approved by the European Data Protection Authorities, apply to all Group entities with a distribution activity.

These BCRs, still in full force, foreshadowed the Group's more general data protection system. Since then, the Hermès Group has implemented a more extensive data protection system covering all the personal data it collects (customers, employees, third parties, etc.) and all of its subsidiaries and *métiers*, regardless of their location.

This Group system complies with the European Data Protection Regulation (GDPR) which is one of the highest levels of data protection in the world and also takes into account local regulatory requirements.

This system also includes the code of business conduct, which contains a "Personal Data" sheet (see section 2.8.1.1.3).

2.8.3.1 DATA PROTECTION OFFICER

A Group Data Protection Officer was appointed on 1 March 2018, with the task of informing and advising the Company on its legal and regulatory obligations with regard to personal data, and steering and monitoring data processing and ensuring its compliance with these obligations. The Group Data Protection Officer is the point of contact for data subjects and for data protection authorities.

This position reports to the General Counsel Compliance, who reports to the Group General Counsel, reporting to the Executive Vice-President of Governance and Organisational Development, member of the Executive Committee, who in turn reports to the Group's Executive Chairman.

2.8.3.2 "PERSONAL DATA PROTECTION" GOVERNANCE

In order to carry out its work, the Data Protection Officer relies on a Group-wide network of people, primarily the information systems security manager (CISO), members of the legal department and internal controllers. This network enables the officer to be informed of personal data processing-related issues, to ensure that these are handled consistently by subsidiaries and to be alerted to local legal and regulatory changes, as applicable.

In 2020, data protection guidelines were rolled out to the network of internal controllers to support them in their second-level control duties. These guidelines provide in particular a reminder of the elements of governance, the control themes and the tools available for this purpose. A new matrix of precise and concrete annual controls to be carried out by internal controllers has been added to the rollout of the guidelines.

2.8.3.3 MAIN ACTIONS IMPLEMENTED

Transparency has been enhanced through an update of the privacy policy and the introduction of a cookie consent management tool on the Hermes.com website.

The awareness-raising and training programme was enhanced with new employee training sessions. In 2020, the focus was on the French human resources teams, of which 88% were trained, across all *métiers*. This awareness-raising and training programme is supplemented by the introduction of an online training module (e-learning) for all Group employees, initially rolled out in France and then internationally.

The principles of protection of privacy by design and by default are ensured by the implementation of new tools for managing Privacy Impact Assessments (PIA) and managing the register of processing activities. These tools are part of the procedure for integrating security and privacy into projects (ISP), which involves the Group's CISO and Data Protection Officer teams. In 2020, 114 projects including personal data were processed through the ISP procedure.

The management of the rights exercised by the people concerned has been made more efficient, in particular thanks to the use of a tool following the dissemination of a new procedure for managing customer rights that allows for prompt handling and harmonisation of requests regardless of the geographical origin of the request and the contact

channel used. Since the implementation of this tool, 138 requests have been processed, of which 20% were requests for modifications, 15% requests for information, 14% requests for access and 51% requests for deletion of data.

The security of personal data is an essential component of the protection of privacy. In this context, the issues were highlighted through awareness-raising operations (cybersecurity month) and addressed as part of regular work with the CISO teams. The data breach procedure has been included in the broader cyber crisis management process (see 4.1.1.3 Information systems and cyberattacks).

Lastly, checks are carried out in cooperation with the teams of the audit and risk management department and the internal controls of the Group entities to assess compliance with the Group's rules and applicable regulations.

2.8.4 DUTY OF VIGILANCE

Hermès is committed to promoting respect for human rights and fundamental freedoms, the health and safety of employees and the protection of the environment.

POLICY

In accordance with French Act No. 2017-399 of 27 March 2017 relating to the duty of vigilance of parent companies and contractors, the Hermès Group has drawn up a reasonable duty of vigilance plan to identify risks and prevent serious violations of human rights and fundamental freedoms, and the health and safety of people and the environment, resulting from its activities as well as the activities of its subcontractors and suppliers.

GOVERNANCE

The legal compliance department contributes to the identification of risks in terms of the duty of vigilance (human rights, fundamental freedoms, health and safety and environmental protection) and to the development of measures to prevent breaches, in particular within the supply chain.

To do this, it works with the Group's main support departments and relies on the Compliance and Vigilance Committee (see section 2.8.1.2.3).

2.8.4.1 ACTIONS IMPLEMENTED AND RESULTS

The duty of vigilance plan was subjected to an effectiveness assessment in the 2020 financial year. This assessment is set out in the table below and refers to Group policies, measures implemented in 2020, key performance indicators and their location within this document.

CROSS-REFERENCE TABLE

HUMAN RIGHTS AND FUNDAMENTAL FREEDOMS

	Group activities	Suppliers and subcontractors
Risk mapping	<ul style="list-style-type: none"> ◆ CSR risk analysis (2.1.3.1) 	<ul style="list-style-type: none"> ◆ Analysis by sector (2.4.2) ◆ Risk mapping by purchase category (2.6.1.3.1) <p>Indicators: 31 sectors analysed in 2020 92% of risk mappings by purchase category completed</p>
Regular assessment procedures	<ul style="list-style-type: none"> ◆ Industrial affairs department network: internal diagnostics, audits conducted by external specialists and operational improvement plans (2.2.1.1.1) ◆ Internal control and risk management systems established by the Company (4.3) 	<ul style="list-style-type: none"> ◆ Audit and Direct Purchasing Committee – managing audit results and action plans (2.6.1.3.3) ◆ Coordination of Group policies for direct and indirect purchasing (2.6.1) ◆ Tools for analysing supplier and subcontractor risks provided to and applied by purchasers (2.6.1.3) ◆ Audits conducted by specialist service providers in certain channels (alligator, cashmere, wood) WWF (2.4.2.2) ◆ Supplier audits by a third-party organisation (2.6.1.3.2) <p>Indicators: 50 audits of tier one suppliers and 21 audits of tier two suppliers in 2020 200 EcoVadis supplier evaluations</p>
Mitigation and prevention measures	<ul style="list-style-type: none"> ◆ Dissemination of Group values: code of business conduct (2.8.1.1) and three specific SD training modules included in the My Campus internal integration training programmes ◆ Training on ethics issues (2.8.1.3.4) ◆ Training and development of employee expertise (2.3.1.3) ◆ Responsible management and Social diversity (2.2.2.1.1 and 2.2.2.1.2) “Alterego” training programme ◆ Health and well-being at work initiative (2.2.1.1) (75% participation rate over the last three years) ◆ Maintaining the quality of social dialogue (2.2.1.3) ◆ Second Disability Agreement (2.2.2.1.4) 	<ul style="list-style-type: none"> ◆ Training for direct and indirect purchasers (2.6.1.3.3) ◆ Social, environmental and ethics policy (handbook 2) (2.6.1.3.3) ◆ Monitoring audits (2.6.1.3.2 and 2.6.1.3.3) <p>Indicators: Signature rate for handbook 2: 85%</p>
Alert mechanisms	<ul style="list-style-type: none"> ◆ Professional whistleblowing system (2.8.1.3.1) 	<ul style="list-style-type: none"> ◆ Professional whistleblowing email alert address for suppliers and subcontractors (2.6.1.3.4)
Measuring and monitoring system	<ul style="list-style-type: none"> ◆ Audit and risk management department (4.3.2) ◆ Audit of the application of ethical values (2.8.1.3.3) <p>Indicators:</p> <ul style="list-style-type: none"> ◆ Employer award received by Hermès (2.2.1.1.1) ◆ Number of hours devoted to training: over 391,737 hours (2.3.1.2) ◆ Gender pay equality index: 92/100 (2.2.2.1.3) 	<ul style="list-style-type: none"> ◆ System of monitoring by audit and risk management department (2.6.1.3.2 and 2.6.1.3.3)

HEALTH & SAFETY

	Group activities	Suppliers and subcontractors
Risk mapping	<ul style="list-style-type: none"> ◆ CSR risk analysis (2.1.3.1) 	<ul style="list-style-type: none"> ◆ Analysis by sector (2.4.2) ◆ Risk mapping by purchase category (2.6.1.3.1) <p>Indicators: 31 sectors analysed in 2020 92% of risk mappings by purchase category completed</p>
Regular assessment procedures	<ul style="list-style-type: none"> ◆ HSE audits conducted by an external specialist (2.2.1.1.1) ◆ Information system rolled out on sites for Group health and safety reporting (2.2.1.1.1) ◆ Internal safety audits (2.2.1.1.1) ◆ Internal control and risk management systems established by the Company (4.3) 	<ul style="list-style-type: none"> ◆ Audit and Direct Purchasing Committee – managing audit results and action plans (2.6.1.3.3) ◆ Coordination of Group policies for direct and indirect purchasing (2.6.1) ◆ Tools for analysing supplier and subcontractor risks provided to and applied by purchasers (2.6.1.3) ◆ Audits conducted by specialist service providers in certain channels (alligator, cashmere, wood) WWF (2.4.2.2) ◆ Supplier audits by a third-party organisation (2.6.1.3.2) <p>Indicators: 50 audits of tier one suppliers and 21 audits of tier two suppliers in 2020 200 EcoVadis supplier evaluations</p>
Mitigation and prevention measures	<ul style="list-style-type: none"> ◆ Dissemination of Group values: code of business conduct (2.8.1.1) and three specific SD training modules included in the My Campus internal integration training programmes ◆ Training on ethics issues (2.8.1.3.4) ◆ HSE regulatory monitoring conducted by an external specialist and distributed to each industrial <i>métier</i> (2.2.1.1.1) ◆ Coordination of the Environmental, Health and Safety network by the industrial affairs department, training and sharing best practices (2.2.1.1.1) ◆ Health and well-being at work initiative (2.2.1.1.1) (75% participation rate over the last three years) 	<ul style="list-style-type: none"> ◆ Training for direct and indirect purchasers (2.6.1.3.3) ◆ Social, environmental and ethics policy (handbook 2) (2.6.1.3.3) ◆ Monitoring audits (2.6.1.3.2 and 2.6) <p>Indicators: Signature rate for handbook 2: 85%</p>
Alert mechanisms	<ul style="list-style-type: none"> ◆ Professional whistleblowing system (2.8.1.3.1) ◆ Email alerts when reporting work accidents in the dedicated information system (2.2.1.1.1) 	<ul style="list-style-type: none"> ◆ Professional whistleblowing email alert address for suppliers and subcontractors (2.6.1.3.4)
Measuring and monitoring system	<ul style="list-style-type: none"> ◆ Audit and risk management department (4.3.2) ◆ Audit of the application of ethical values (2.8.1.3.3) ◆ External firm specialising in conducting HSE compliance audits in our various units (2.2.1.1.1) <p>Indicators: Work accident rate: 9.08 with a severity rate of 0.41 (2.2.1.1.4) Turn-over: 1.09% (2.3.1.1.2)</p>	<ul style="list-style-type: none"> ◆ System of monitoring by audit and risk management department (2.6.1.3.2 and 2.6.1.3.3)

ENVIRONMENT

	Group activities	Suppliers and subcontractors
Risk mapping	<ul style="list-style-type: none"> ◆ CSR risk analysis (2.1.3.1) 	<ul style="list-style-type: none"> ◆ Analysis by sector (2.4.2) ◆ Risk mapping by purchase category (2.6.2.3) ◆ Study of the physical risks related to climate change (2.5.2) <p>Indicators: 31 sectors analysed in 2020 92% of risk mappings by purchase category completed Climate change: two value chains studied, using six direct sector impact scenarios and two systemic scenarios with direct and indirect impacts on Hermès' global activity (2.5.2.1).</p>
Regular assessment procedures	<ul style="list-style-type: none"> ◆ HSE audits conducted by an external specialist (2.2.1.1.1) ◆ Water risk assessment with WWF (2.5.2.1) ◆ Tools for updating the overall assessment of greenhouse gas emissions from Group production and distribution sites (2.5.2.2) ◆ Audits of the supply chains for exotic skins by external parties (WWF, veterinarians, associations, etc.) (2.4.2.2) ◆ Internal control and risk management systems established by the Company (4.3) 	<ul style="list-style-type: none"> ◆ Audit and Direct Purchasing Committee – managing audit results and action plans (2.6.1.3.3) ◆ Coordination of Group policies for direct and indirect purchasing (2.6.1) ◆ Tools for analysing supplier and subcontractor risks provided to and applied by purchasers (2.6.1.3) ◆ Audits conducted by specialist service providers in certain channels (alligator, cashmere, wood) WWF (2.4.2.2) ◆ Supplier audits by a third-party organisation (2.6.1.3.2) <p>Indicators: 50 audits of tier one suppliers and 21 audits of tier two suppliers in 2020 200 EcoVadis supplier evaluations</p>
◆ Mitigation and prevention measures	<ul style="list-style-type: none"> ◆ Group environmental policy (2.5.1.1) ◆ Membership of the Fashion Pact (2.5) ◆ EHS regulatory monitoring conducted by an external specialist and distributed to each industrial <i>métier</i> (2.2.1.1.1) ◆ Coordination of the Environmental, Health and Safety network by the industrial affairs department, training and sharing best practices (2.2.1.1.1) ◆ Sustainable development ambassadors: over 200 employees worldwide (2.3.1.3) ◆ Limiting the consumption of natural resources (2.5.1.2) <p>Improving production processes (2.5.1.3)</p> <ul style="list-style-type: none"> ◆ Combating climate change (2.5.2) ◆ Limiting the carbon impact in scopes 1, 2 & 3 and carbon offset (2.5.2.2 and 2.5.2.3) ◆ Waste management (2.5.1.4) ◆ Respect and protect biodiversity (2.5.3) Act4Nature international (2.5.3.5) High-quality supplies, and work on animal welfare (2.4.3.2) ◆ Circular economy (2.4.1.1) ◆ Three specific SD training modules included in the My Campus internal integration training programmes 	<ul style="list-style-type: none"> ◆ Training for direct and indirect purchasers (2.6.1.3.3) ◆ Social, environmental and ethics policy (handbook 2) (2.6.1.3.3) ◆ Monitoring audits (2.6.1.3.2 and 2.6.1.3.3) <p>Indicators: Signature rate for handbook 2: 85%</p>
Alert mechanisms	<ul style="list-style-type: none"> ◆ Professional whistleblowing system (2.8.1.3.1) 	<ul style="list-style-type: none"> ◆ Professional whistleblowing email alert address for suppliers and subcontractors (2.6.1.3.4)

	Group activities	Suppliers and subcontractors
Measuring and monitoring system	<ul style="list-style-type: none"> ◆ Audit and risk management department (4.3.2) ◆ Audit of the application of ethical values (2.8.1.3.3) ◆ External firm specialising in conducting HSE compliance audits in our various units (2.2.1.1.1) <p>Indicators: CDP Climate Change score: B (2.5.2) Water consumption at industrial sites (2.5.1.2.1) Energy consumption at industrial sites (2.5.1.2.2)</p>	<ul style="list-style-type: none"> ◆ System of monitoring by audit and risk management department (2.6.1.3.2 and 2.6.1.3.3)