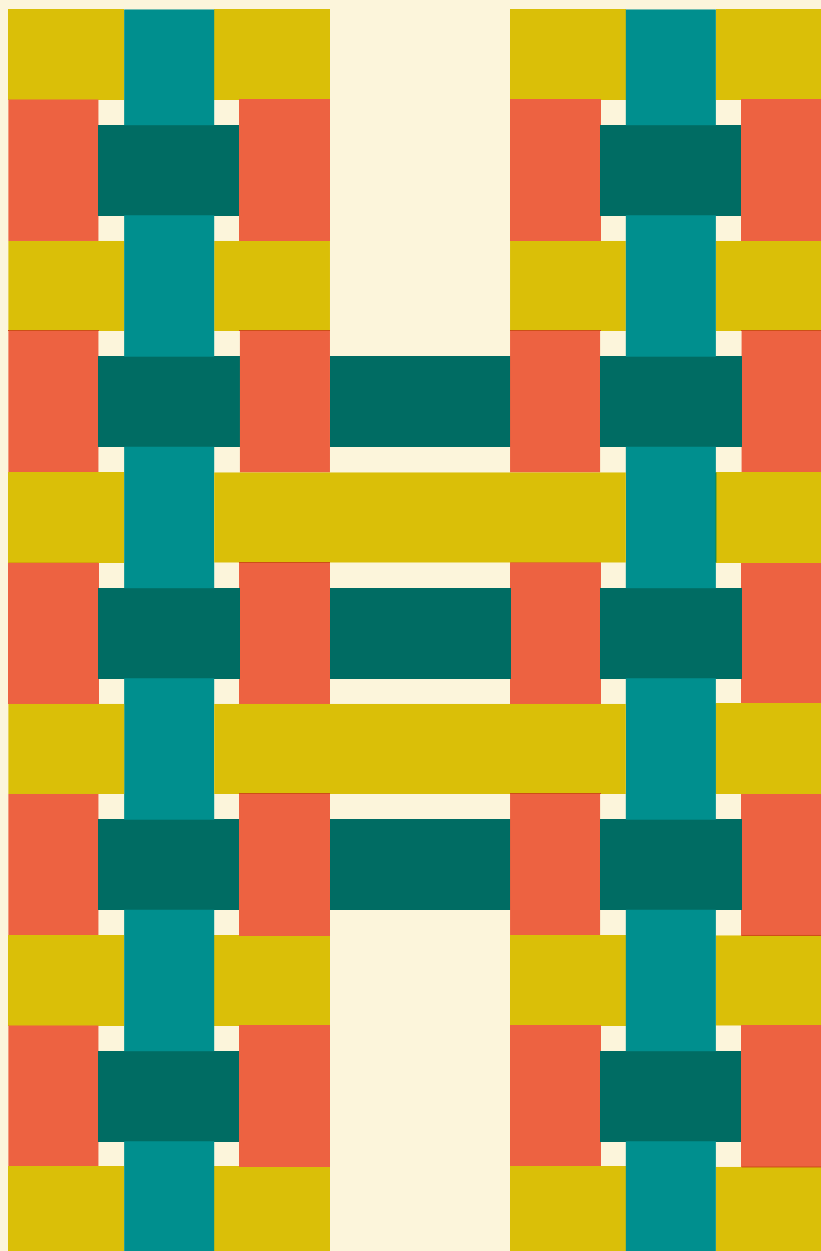


2020 Universal registration document

CSR EXTRACT
Non-Financial Performance Statement (NFPS)



2.5.3.3 DIAGNOSING IMPACTS ACROSS THE ENTIRE VALUE CHAIN

The measurement of Hermès' biodiversity footprint is currently being assessed using the Global Biodiversity Score tool run by CDC biodiversité (a subsidiary of Caisse des Dépôts), implemented with the support of WWF France. The choice of this tool was motivated by the variability of the possible input data, the translation of the impact into IPBES pressures and the comparability made possible by a single methodology. A total of 96% of Hermès' revenue should be covered by this analysis, measuring the impacts of all of the House's *métiers* on biodiversity using a single indicator (MSA m²). The MSA (Mean Specific Abundance) is an indicator that assesses the integrity of ecosystems. The analysis is carried out by analysing the impact of the various components of economic activity on these ecosystems according to the pressures of the IPBES:

- ◆ land use, fragmentation, encroachment, atmospheric nitrogen deposition, climate change, hydrological disturbance, wetland conversion, nutrient emissions and land use change in the watershed. It is based on the use of the Globio database, and makes it possible to calculate static or dynamic impacts, on scopes 1 and 2 (own activities) and 3 (external supply chains);

- ◆ the study is due to be finalised in 2021. To date, few companies have implemented such a comprehensive inventory, which positions the House among the pioneers in this area. Ultimately, this footprint will form the basis for future action plans, ranked according to these analyses. It will be updated regularly.

Global Biodiversity Score (GBS) approach

Ahead of COP 15 of the Convention on Biodiversity scheduled for 2021, Hermès confirms its commitment to the integration of biodiversity into its global strategy through an innovative tripartite collaboration with WWF France and CDC Biodiversité. Hermès has been supported since 2020 by WWF France in assessing the impact of its activities on biodiversity using the Global Biodiversity Score (GBS) tool developed by CDC Biodiversité. This work is part of Hermès International's five-year plan on biodiversity commitments, which were recognised by the Act4Nature international initiative in 2020.

Nature is in crisis and the IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), a platform equivalent to the IPCC for biodiversity, has identified five major pressures that contribute to biodiversity loss: changes in use of land and oceans, the use and exploitation of natural resources, climate change, pollution, and invasive species ¹.

The assessment of the Hermès Group's biodiversity footprint, carried out using the GBS tool, covers several of these pressures and makes it possible to study the impacts caused by the Company on a large part of its value chain, *i.e.* in its scope of direct operations and its suppliers, which includes the supply of raw materials. This assessment enables Hermès to gain an overview of the Hermès Group's main impacts on its value chain for the majority of the Group's *métiers*, and to guide the biodiversity strategy in order to set objectives and priority actions to be carried out.

The preliminary analysis of the Group's footprint (96% of its activity) shows that the majority of its footprint is linked to the upstream end of its value chain. The main pressures on terrestrial biodiversity are linked to land use (crops, livestock) for the static footprint and greenhouse gas emissions (scope 3 related to suppliers) for the dynamic footprint. Hermès and its partners will continue to analyse these results in 2021.

1. This specific pressure has not been taken into account yet.