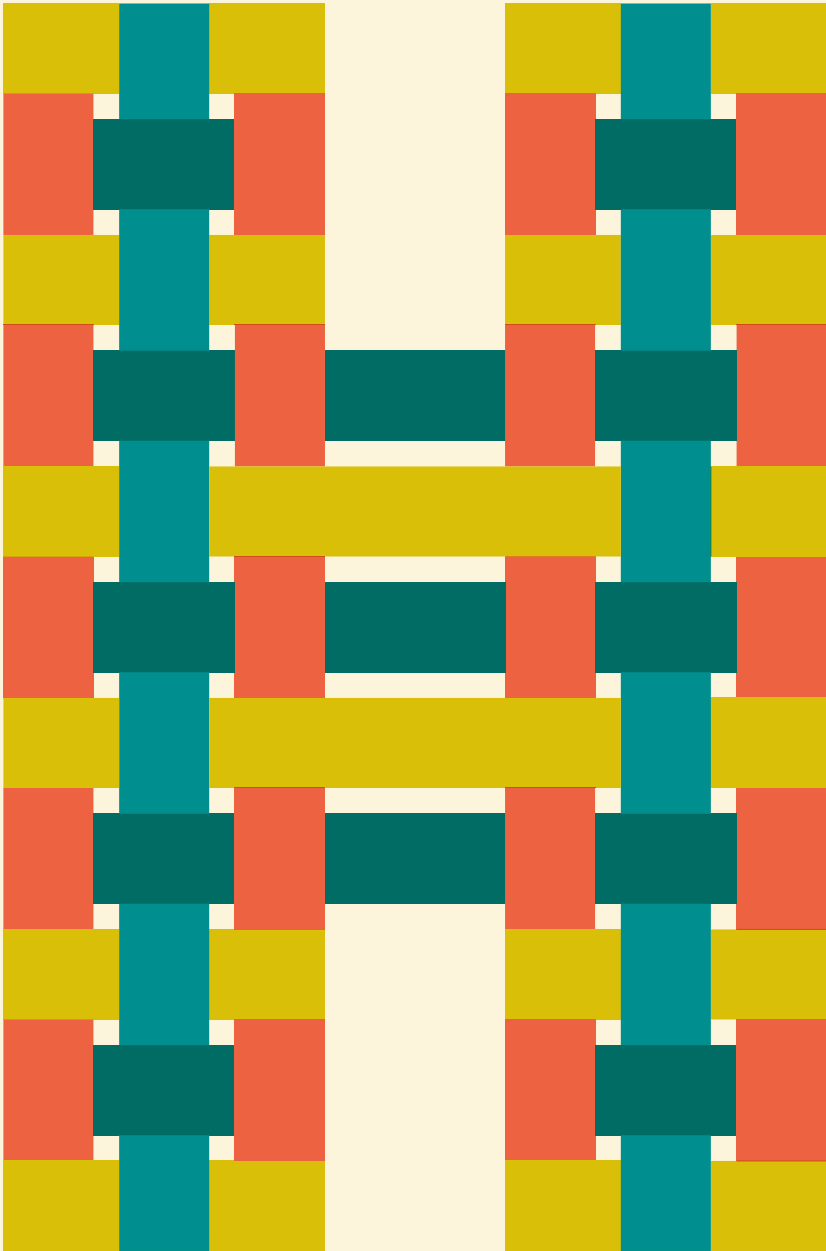


2020 Universal registration document

CSR EXTRACT
Non-Financial Performance Statement (NFPS)



2.2.2 SOCIETAL COMMITMENTS

Maintaining diversity in terms of people and talents is the foundation of the House's wealth, creativity and longevity. The Hermès Group is committed to the principles of recognition and respect, irrespective of one's origin, gender, family situation or *métier*. The diversity policy is overseen by a member of the Executive Committee in charge of governance and organisational development. It is based on the values and ethics of the House and on the actions overseen by the Group's Human Resources department.

POLICY

The responsible employer policy implemented in the Hermès Group aims to further actions to enhance the development of its employees, the foundation of the House's economic performance. It covers aspects related to diversity and difference. Attaining these two interlinked and complementary objectives involves a range of initiatives to promote responsible integration and responsible management. Drawing on the conviction that diverse talent is a source of wealth, creativity and innovation, Hermès strives to facilitate the integration of employees in all their diversity by developing practical actions in favour in particular of people with disabilities or the long-term unemployed, senior workers, and people from visible minorities or disadvantaged neighborhoods and areas.

The policy consists of establishing conditions that provide equal opportunity in terms of recruitment and employment, under its various components, and refraining from any form of discrimination.

Hermès' employee compensation policy is part of the fight against forced labour, by systematically complying with the requirement to issue a pay slip at regular intervals, explaining all legal deductions, and prohibiting the payment of recruitment fees paid by employees, regardless of their location in the world.

MEASURES IMPLEMENTED AND RESULTS

The Group undertakes regular actions to improve its approach to diversity and inclusion. This momentum is illustrated by the **signing of the second Group Disability Agreement in 2020**, the continuation for the second

year of the gender equality index, and the rollout of a maternity policy for all employees with a minimum of 16 weeks leave and payment of salaries.

The decision was also made to launch a working group on the creation of a network of women within the Group. This body will be set up by 2021 with the aim of understanding the career dynamics of women at all levels of the Company and determining how best to support them.

Furthermore, on the subject of inclusion, the decision was taken to launch a diagnostic on inclusion practices in 2021, with the aim of ensuring that no-one in the Group is treated less favourably than another because of an irrelevant factor, such as origin, gender, sexual identity, marital status, health, sexual orientation, religious beliefs or any other pretext. As part of a coordinated group initiative, a common international foundation built on the Group's shared values will be established through a participatory approach and will enable each subsidiary to commit to an action plan in line with its local and cultural challenges.

2.2.2.1 FACILITATE THE INTEGRATION AND RECOGNITION OF TALENTS IN THEIR DIVERSITY, AND PROMOTE EQUAL OPPORTUNITIES AND INCLUSION

Respect for differences is formalised and presented to employees in the ethics charter drawn up in 2009 and updated in 2019. This foundation document guarantees objectivity, equal opportunities and the promotion of diversity without discrimination in recruitment, career development and day-to-day management.

You are reminded that, under French law, this means avoiding any situation in which, on the basis of origin, gender, family situation, pregnancy, physical appearance, particular vulnerability resulting from a person's economic situation, apparent or known, name, place of residence or bank domiciliation, state of health, loss of autonomy, disability, genetic characteristics, morals, sexual orientation, gender identity, age, political opinions, trade union or mutualist activities, exercise of a local elective mandate, ability to express themselves in a language other than French, membership or non-membership, real or supposed, of a particular ethnic group, nation, race or religion, a person is treated less favourably than another is, has been or will be treated in a comparable situation. These elements are adapted in the subsidiaries in accordance with local culture and applicable laws.

2.2.2.1.1 Responsible management, inclusion

To develop responsible management, **the "Alterego" training programme on inclusion highlights the wealth of diversity** for the company and thus reinforces fair management in access to employment and career management. This programme, which began in 2017, was continued in three sessions in 2020, **bringing to 750 the number of executive and local managers who took part in this programme**. The aim is to share the Hermès culture as a responsible employer and an actor and to pass on the ambition of inclusion, particularly with regard to disability, religion, gender equality and intergenerational management.

Textile division

Holding Textile Hermès has operated a long-standing commitment to equal opportunities by implementing a socially responsible policy that emphasises diversity. In 2020, collective information sessions dedicated to women were organised with Pôle Emploi to present the textile printing *métier*. Holding Textile Hermès has also taken part in employment forums aimed at vulnerable populations and/or people with disabilities. The partnership with temporary employment agencies specializing in the recruitment of disabled or unemployed staff continued. Ateliers AS uses the “Alterego” programme to support its managers in terms of inclusion in its workshops.

Jewellery division

Managers were made aware of the diversity of profiles, so as to avoid discrimination during the recruitment process. Recruitment partners are also selected on the basis of their ability to commit to recruitment without any form of discrimination.

United States

The Diversity, Inclusion and Family mission of Hermès Of Paris includes a recruitment pillar, which aims to attract a diverse workforce of talented and unique individuals with different backgrounds, skills and visions of the world that will enrich the Hermès Of Paris family. To achieve this objective, recruitment practices and tools are regularly reviewed and adapted to ensure a more inclusive recruitment process. Among the various levers activated:

- ◆ review of the candidate assessment form, in order to better guide the interview and ensure an objective assessment of each person’s skills and professional criteria. The new form developed this year will first be piloted by recruitment firm partners, with the aim of rolling it out to hiring managers within the structures;
- ◆ monitoring salary negotiations, in order to ensure consistent and fair treatment, particularly between men and women. To this end, all data for the year 2020 was collected for analysis;
- ◆ the inclusive job description: a new job description has been devised, using simple and neutral language, without any indication of gender, emphasising skills linked to experience rather than education, removing corporate jargon or Hermès’ own terms, and focusing on the contribution that the potential new employee would make to the organisation. A prototype is being tested on the most common positions, with a view to it being rolled out in 2021.

For the second year running, Hermès Of Paris also continued mandatory training on unconscious bias, in order to help teams understand and overcome the mechanisms of bias and thus ensure that their behaviour, from hiring to employment, is impartial. It also contributes to the creation of an open and welcoming environment.

Japan

The Diversity & Inclusion project is one of the Human Resources department’s priority projects. “Unconscious bias” seminars were held with employees and management, and diversity was positioned as a key recruitment topic. The gender balance, as well as the age distribution, are regularly reviewed by the human resources department to improve diversity. Openness to people of other nationalities occurs gradually and contributes to reinforcing diversity in the Company and an inclusive mindset of employees.

2.2.2.1.2 Social diversity

In terms of recruitment, at all levels, Hermès’ policy is not to give disproportionate weight to qualifications, but conversely, to open up the spectrum by paying particular attention to the candidate’s experience, in order to give people of any social or geographical origin, whatever their background, the opportunity to join the Group. To further develop this approach, discussions were initiated in 2020 with associations likely to facilitate this type of recruitment, with a view to signing agreements in 2021.

Employee recruitment respects profile diversity wherever Hermès operates. To foster this diversity, certain sites work with specialised partners. Holding Textile Hermès chose Open Emploi, which specialises in employment diversity, as its partner to hire long-term job seekers and older workers. At Hermès Maroquinerie-Sellerie and cate recruitment is only carried out through aptitude tests and not using CVs, a system which favours a diversity of profiles.

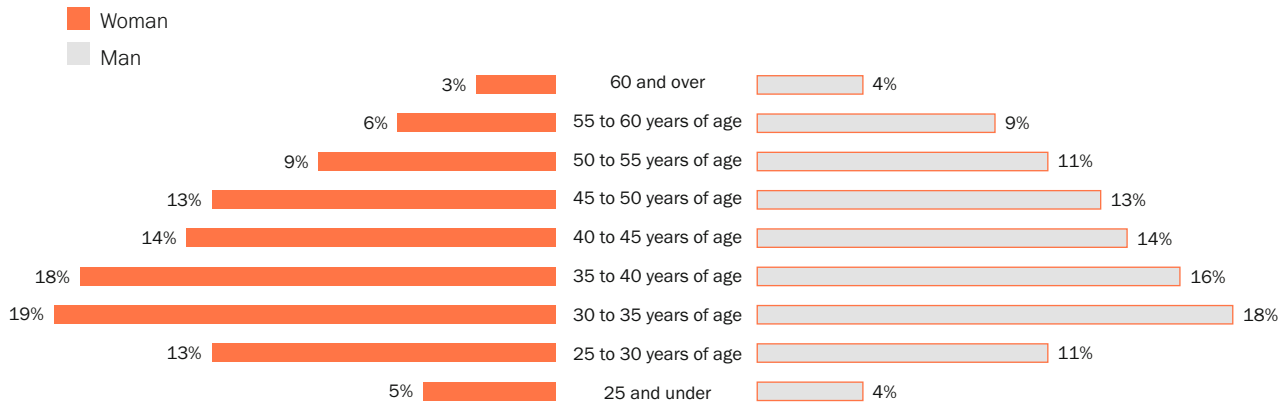
In the Retail Europe division, teams that are multicultural in terms of nationality are multiplying. The Hermès Italy team took part in a Diversity Day to recruit people from diverse backgrounds.

In the United States, all Hermès Of Paris employees receive diversity training. In 2020, 714 of them were trained in “Understanding unconscious bias” and 198 managers were trained in “Overcoming unconscious bias in the workplace”. To raise awareness of and prevent harassment in the workplace, Hermès Of Paris has placed harassment awareness modules online. These modules were taken by 537 employees and 203 managers in 2020 (90% of employees).

The decision was taken in 2020 to roll out these pilot training courses Group-wide.

Thanks to these concrete commitments, Hermès ranked **1st in its sector, and 5th overall in the “Diversity Leaders” 2020 ranking published by the British daily newspaper, the Financial Times**. This assesses employees’ perceptions of inclusion in companies, as well as the efforts made to promote diversity. To establish this, an independent survey was conducted among more than 100,000 employees of 15,000 companies in 16 European countries.

AGE PYRAMID BY GENDER



2.2.2.1.3 Gender equality

The Group's policy is to promote gender equality. Special attention is paid to equality, particularly in the awarding of equal pay for equal work and ensuring equal opportunities at all levels of employment. Training is provided to management and the subject is specifically addressed in the framework of human resources department meetings.

The Group is predominantly composed of women (67%), represented at all levels of the hierarchy (25% of the Executive Committee are women, 60% of managers are women, 69% of the Operations Committee are women) – see chapter 3 “Corporate governance”, § 3.2.3.1.1, 3.2.3.2 and 3.2.4.2; and in all activities.

In early 2019, Hermès harmonised its international maternity leave practices by defining a minimum maternity leave period of 16 weeks, maintaining 100% basic pay and making 100% coverage of maternity expenses available in all locations (see chapter 2 "Corporate social responsibility", § 2.2.1.4.4).

In France, agreements or action plans relating to professional equality were renewed in order to reaffirm the guarantee of a balanced salary positioning between men and women, as well as respect for equal treatment in the allocation of salary increases, including during maternity leave. These agreements define progress targets for paternity leave, for example, in order to promote the role of fathers in the exercise of family responsibility, and to enable women to carry out a professional activity corresponding to their wishes.

For all companies in the Holding Textile Hermès division, all paternity leave benefits from compensation being maintained, as does maternity leave, including for executives and regardless of seniority. In the same vein, young fathers benefit from protection against dismissal during the four weeks following the birth of a child, in the same way as protection applicable to pregnant women. Upon returning from maternity, paternity or parental leave, all employees are offered a professionalisation interview to ensure they return to work under the best possible conditions. To support the use of part-time work at the request of employees and not penalise parents wishing to make this choice,

pension contributions are paid by the employer on a full-time basis. Women in managerial roles and positions of responsibility at production sites benefit from personalised coaching support.

These measures come in addition to more common measures, such as the authorised absence of the mother-to-be's partner for mandatory examinations, the adjustment of schedules for the start of the school year, and the allocation of the same number of additional days leave for a civil solidarity pact (PACS) as for a wedding, or the donation of days off or rest days for parents or spouses with a seriously ill child or spouse.

At Hermès Sellier, the crèche located in Pantin offers 33 places for employees' children, as well as six places for which the Pantin City Hall defines the allocation. In addition, further places are reserved by Hermès International and Hermès Sellier in Paris, Pantin and Lyon in inter-company crèches to facilitate the balance between personal and professional life (30 places in 2020, up by five for Hermès International).



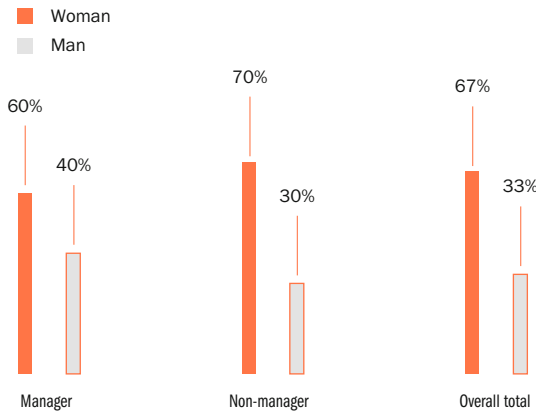
92/100*
**in the gender pay
equality index**

* global index of weighted averages

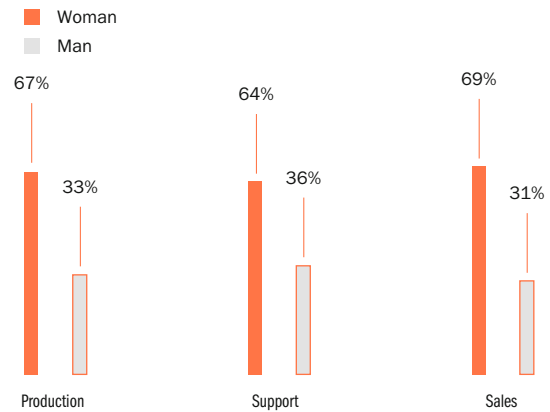
The gender equality index was created in 2019 in France to eliminate gender inequality in the companies. In companies with more than 250 employees, it is calculated based on five indicators: the gender pay gap, the gap in the breakdown of individual pay increases, the gap in the breakdown of promotions, the number of employees receiving pay increases upon returning from maternity leave, and parity among the 10 highest packages.

At Hermès, in the scope of relevant companies, the weighted average of the pay equality index is 92 out of 100. The indices of the different companies fall into a range between 81 and 100. The index of the holding company, Hermès International, is 98 out of 100.

GENDER BREAKDOWN BY CATEGORY (MANAGERS/NON-MANAGERS)



BREAKDOWN BY GENDER BY SECTOR



2.2.2.1.4 Disability

The Group has a proactive disability policy. Hermès has long been committed to integrating people with disabilities and their job retention in its various métiers.

Following the signing of the first Group Disability Agreement in 2017, numerous initiatives and commitments, relayed notably by the Disability Officers, have enabled the Group to make considerable progress, bringing **the disabled employment rate in just two years to 5.68% at the end of 2019. The number of employees with a disability has doubled in four years, exceeding 550 employees recognised in 2020.**

IN %	2018	2019	2020
Employment rate of people with disabilities	3.99	5.68	Publication June 2021

These results bear witness to the care that the House pays to employees facing a disability and who make inclusion a reality, as demonstrated by these examples from the year:

- ♦ a partnership started with the INJS - Institut national des jeunes sourds;
- ♦ a former soldier suffering from post-traumatic stress disorder enrolled in the Leather Goods training in Fitiellieu, following the partnership initiated with the Cabat;
- ♦ the integration, supported by AspiJob, of a person with Asperger's syndrome at the Hermès International headquarters;
- ♦ the hiring on a permanent contract of a person with a disability for customer reception duties at a store in the Rhône-Alpes;
- ♦ the establishment of a two-person team from the association APF within the Exceptional Sales division for several months as part of the "Hors les Murs" initiative;
- ♦ customised support for a young student with DIS disorders employees with a disability and his manager in the activity.

This reality has become part of a long-term initiative with the **signing of the second Group Disability Agreement with all trade union coordinators on 22 July 2020.** A remote co-construction day involving the Disability Officers, trade union coordinators and representatives of occupational health services was organised in order to prepare for the implementation of this agreement.

Approved by DIRECCTE ¹ in November, this second agreement will come into force for 2021, 2022 and 2023. It will need to pursue the Group's ambitions in terms of inclusion, while adapting its commitments to new legislative and regulatory directives, and in particular addressing the following challenges:

- ♦ promoting the employment and integration of people with disabilities;
- ♦ structuring a genuine job retention policy;
- ♦ strengthening indirect employment through collaboration with the sheltered and adapted sector and self-employed disabled workers;
- ♦ strengthening the fight against decision-making biases caused by stereotypes or prejudices in terms of disability and changing views within the Company through information and communication;

1. Direction régionale des entreprises, de la concurrence, de la consommation, du travail et de l'emploi : French employment administration

- ♦ anticipating the scheduled end of the approved collective agreements as a means of managing the Group Disability Agreement, in order to continue initiatives in 2021-2022-2023 and allow all those affected by this situation to continue their activity under the best possible conditions.

In view of the Disability reform in France, the data for 2020 will be published at the end of the first half of 2021. Under the impetus of the first Group Disability Agreement, a decisive step was taken with an employment rate of people with disabilities of 5.68% at the end of 2019. The employment rate (excluding the various reductions that can be applied) is based primarily on a direct employment rate of 4.90% in 2019. At constant legislation, the employment rate (direct and indirect) exceeded 6%, excluding reductions, compared to 3.80% at the launch of the first Disability Agreement.

In 2020, taking into account the results achieved, Hermès reaffirmed its efforts and its commitment to disability issues by allocating a matching contribution in excess of €0.15 million per year to enable the Hermès Group's Disability Agreement team to continue its work over the three years of the agreement with the same budget.

The Hermès Group's Disability Agreement team is led by a network of 14 Disability Officers in each *métier* (Textile, Leather, Crystal, Perfumes, Home, Women, Hermès Group Services, Hermès International, Hermès Commercial, Hermès Distribution France) to help all sites make progress in integrating and maintaining the employment of those who are temporarily or permanently disabled.

The network of Disability Officers meets on a regular basis to share best practices, visit sheltered work establishments (ESATs) and promote skills development. This network is structured with Site Disability Officers present in the main divisions, such as Hermès Maroquinerie-Sellerie or Holding Textile Hermès, as well as at each site, regardless of its size, to help employees with disabilities in their daily work and to support those who wish to obtain an RQTH (*Reconnaissance de la qualité de travailleur handicapé* – recognition of the quality of disabled worker). A brochure intended for people who are reluctant to declare themselves as RQTH has been prepared and distributed to all employees and stakeholders in occupational health. In 2020, more than 35 French employees took their first steps to recognise their disability. Initiatives of this nature testify to the confidence these employees have in the Maison Hermès. The people concerned will benefit from dedicated support in their position and for job retention.

More than 50% of the Disability Agreement team budget was devoted to workstation adjustments, the financing of individual equipment or the granting of Cesu checks intended to compensate for disabilities by employing people at home to provide assistance with domestic tasks.

Despite the particular health situation, the Group's Disability Agreement team took part in six job forums dedicated to disability, mainly in virtual mode. The contacts undertaken in 2019 under the aegis of the Liaison Committee of the army wounded assistance unit, to develop the reclassification of wounded military personnel, made it possible to present various opportunities to several wounded military personnel, and finalise a recruitment. By supporting these soldiers, the Group contributes to the national defense effort.

The three-year partnership with Sciences Po Paris on the "Accessible" programme dedicated to students with disabilities continued with a meeting in early December, during the Sciences Po Accessible virtual forum, with around 20 students with disabilities considering internships, work-study programmes and jobs.

The commitment to 20 permanent contracts initially set for 31 December 2020, the date of the end of the first Disability Agreement, and reached in 2019, continued with more than eight permanent employees recruited in 2020, including one manager. Hermès Maroquinerie-Sellerie accounts for the majority of these permanent employment contracts, in view of the volume of annual recruitment, as well as management's objectives and the adoption of the Simulation Recruitment Method (SRM).

The Fitolieu site, the production site and Alpes leatherwork training school, organised a recruitment session dedicated to people with disabilities in December, as part of its multi-year partnership with the Ohé Prométhée association, bringing together around 30 people with disabilities in the presence of French sign language translators. An adapted recruitment process is in place and, if necessary, an extension of the training period may be considered to facilitate the commencement of a permanent position.

The integration of different types of disability provides opportunities to improve the training of managers, tutors and colleagues, such as the DIS plan (for DISORDER, specific cognitive and associated learning disorders) rolled out at Hermès Maroquinerie-Sellerie in Pantin to promote the integration of a young student on a work-study contract.

In many *métiers* (Hermès International, Hermès Group Services, Hermès Maroquinerie-Sellerie, Parfums & Beauté, etc.), workers made available on a daily basis by EAs/ESATs contribute to various activities (cutting, order preparation or meeting rooms, logistics, security, concierge, mail dispatching, etc.). These collaborations provide long-term employment opportunities.

When the wearing of a mask became mandatory on the sites, several hundred transparent "inclusive" masks made by the APFs were distributed to promote exchanges with hearing-impaired employees.

In terms of purchases, **Hermès has set itself the ambitious target of increasing its use of the protected sector and socially supported organisations in France by 20% per year over the period 2018-2020.** Achieved in 2018, this final objective has continued to benefit from a 20% increase every year, including in 2020. Purchases from EAs and ESATs thus increased from €0.7 million at the end of 2017 to €1.7 million at the end of 2019 and **€2.4 million at the end of 2020**, of which €1.1 million in the first half-year. Driven by a proactive policy, these purchases are mainly made at the initiative of Hermès Maroquinerie-Sellerie and Hermès Group Services.

The Hand'E Passeport application was made available to all employees in France throughout the year. Downloaded and used by 500 employees since the launch, this application provides information about the various types of disability in an enjoyable way, but also guidelines for how to behave as a considerate manager or colleague.

The Handi'Cap 2020 forum, an annual highlight organised this year in virtual form, **brought together more than 250 committed managers and internal players**, essential levers for the effective deployment of the Disability policy, **around the theme "Achievements and inspirations!"**. This forum invited managers to develop their commitment to inclusion by sharing ways to extend initiatives further. Through booths with various themes, participants were able to enhance their knowledge and draw inspiration from innovative practices such as:

- ◆ including employees with disabilities in stores;
- ◆ the particularities of recruiting people with disabilities;
- ◆ preparing the *Duoday* (hosting another employee within a department);
- ◆ Hermès Maroquinerie-Sellerie partnerships with EAs/ESATs;
- ◆ how to set up a network of Disability ambassadors;
- ◆ Hermès Commercial Logistique's collaboration with the APF ESAT teams, etc.

The meeting was marked and inspired by the authenticity of the testimony of the disabled athlete, Marie-Amélie Le Fur, President of the French Paralympic Committee. The highlights of this forum were relayed during the Solidarity Weeks organised by the sustainable development team, *via* two digital capsules open to all employees in France.

Almost 100 *Duodays* were planned for mid-November 2020, as so many invitations to change outlooks by welcoming people with disabilities from outside the Company, looking for work or from support structures such as ESATs, to share for a day the daily life of employees, and thus discover life behind the scenes of production *métiers* or support functions. Following the announcement of the lockdown in France, the Group decided to postpone this operation to welcome these duos in 2021 in the various production units.

The Perfumes and Beauty division managed to maintain eight *Duodays* in October, while respecting the health regulations, at the headquarters and on the Vaudreuil site, in the packaging, quality control and manufacturing *métiers*. Coming from various support structures such as Cap Emploi, ESATs or student associations, everyone was able to learn about a *métier* or an environment to help define an academic orientation, a training path or a professional project following retraining, all in a warm and caring environment.

Hermès Femme also raised awareness among teams about the *Duodays*, for which 15 managers had volunteered. To this end, close links have been established with a network of business schools, in order to organise tailor-made days according to the wishes of young people. Although the project was postponed due to the lockdown, contacts were made between students and managers, pending face-to-face meetings. In addition, a round table was organised with the new trainees to raise their awareness of disability and give them the first agreement brochure, in order to enable free speech from the start of their integration.

John Lobb is involved in mentoring students with disabilities at the University of Saclay, with the support of the ARPEJEH and Article 1 associations, to promote their inclusion. In France in November, the European Week for the Employment of People with Disabilities provided an opportunity to organise various events to change perceptions and combat stereotypes. Several conferences were offered, such as a new meeting with Marie Amélie Le Fur and nearly 120 employees, or the testimony of stores in Lyon and Bordeaux attended by 50 sales associates. Awareness-raising campaigns were maintained in the French production units, such as the HandiPoursuite challenge offered by Hermès Parfums & Beauté and attended by more than 100 participants.

World Disability Day in early December was also welcomed by several events, such as the disability awareness challenge organised in Saint-Louis or a mediation on art and disability for the Hermès Cuirs Précieux teams. Holding Textile Hermès now sends a Disability newsletter to its 800 employees to share the division's commitment, mobilise all internal players and inform employees with undeclared disabilities about available support.

A substantial training plan on disability recruitment for recruiters and human resources employees has been rolled out to 45 key players in the integration process, to help them feel more comfortable recruiting people with disabilities. As part of the integration in Paris of a manager with an autistic disorder, the internal players concerned (manager, tutor, human resources) benefited from autism training provided by the CNRS¹. Lastly, the 14 members of the Hermès Perfume and Beauty and Hermès Social and Economic Committees and Health, Safety and Working Conditions Commission received training on disability.

2.2.2.2 ENGAGE EMPLOYEES IN SOLIDARITY ACTIONS INCLUDING SKILLS-BASED SPONSORSHIP

2.2.2.2.1 Ambition

In order to embody its commitment as a socially responsible employer and to "Give back to the world what it gives us", Hermès encourages its employees to be involved in the social and solidarity economy, with the aim of strengthening its local integration in the areas where it operates, according to the public interest needs expressed locally.

To this end, skills-based sponsorship assignments are regularly offered to employees, in addition to the Fondation d'entreprise Hermès "H3" programme. Hermès' approach is to develop skills-based sponsorship with partner associations in the field of sustainable development, the Fondation d'entreprise Hermès and the Group Disability Agreement team, as well as with local structures in the context of long-term partnerships.

1. Centre National de la Recherche Scientifique: National Centre for Scientific Research.

This skills-based sponsorship approach enables the Group to nurture its values by supporting projects related to its identity, to strengthen pride in belonging, but also to leave employees free to choose the cause in which they wish to get involved. It also addresses an increasingly expressed desire to contribute to the common good. The projects supported must naturally be aligned with the values and priorities defined by Hermès, which relate to education, solidarity, support for craftsmanship, environmental protection and cultural development. They are generally long-term projects. Employees involved in these projects, in areas of activity that are often little known, show real personal satisfaction, motivation and increased skills. Operations carried out by several people also reinforce cohesion within the teams and unite the group.

The skills-based sponsorship initiative will be strengthened to mobilise more employees and express the Group's generosity. **An active network of more than 80 skills sponsorship ambassadors is organised to facilitate the rollout of this approach as closely as possible to the teams in France.** Since 2017, a dedicated Group methodology has been developed and shared within the subsidiaries in France to enable employees to support the needs of associations in different areas during their working hours. Through this volunteer program, **employees in France can benefit from five paid volunteer days to support the development of charitable associations.** In Switzerland and Spain, each employee is allocated one paid day per year to carry out charitable actions.

In 2020, this programme gained momentum in terms of internal visibility and employee engagement. Despite a somewhat complex context, **more than 120 French employees got involved** in 2020 and 260 hours were dedicated to skills-based sponsorship during the year. The assignments covered a wide range of subjects such as visual merchandising, logistics, management control, communication, legal matters, etc.

2.2.2.2.2 Organisation

In 2020, under the leadership of the Fondation d'entreprise Hermès, all sponsorship policies were structured and formalised, including skills-based sponsorship.

Each sponsorship operation is subject to a transparent selection process, which includes the necessary prior checks to ensure that the operation complies with local laws and regulations. A sponsorship selection document is drawn up for each project. The associations supported are verified in terms of governance, ethics and human rights, transparency, etc.

Sponsorship operations in which an Hermès Group employee has, directly or indirectly, a personal and/or financial interest must comply with the available conflict of interest prevention procedure and be reported to the Hermès International legal compliance department for validation. Sponsorship initiatives are the subject of signed letters of commitment. For long-term commitments and partnerships, or those

presenting a certain complexity, the terms of the agreement must be contractualised in order to clearly identify the commitments of each of the parties. Sponsorship operations are subject to regular control and monitoring of the successful completion of the operation.

In this context, each division has set up a sponsorship monitoring system, including a Sponsorship Committee in charge of selecting and approving the entity's sponsorship activities. This committee is made up of the division's or *métier's* Management Committee. All decisions taken by this committee are recorded in a formal report kept for a period of five years.

Each division defines its priorities according to its activity and location, as well as eligibility criteria (reputation, soundness of the project, history of the beneficiary, strategy of the entity, prevention of potential conflicts of interest, etc.) and control of sponsorship projects supported.

A dedicated budget is allocated each year by each distribution subsidiary.

The large-scale actions carried out in 2020 by the employees of the various subsidiaries in Europe involved the circular economy, eco-manufacturing, the solidarity collection of non-food products, the renovation of refugee reception centers, training in craftsmanship, the promotion of manual *savoir-faire* for professional reintegration, cleaning of natural sites, translation, distribution of clothing, and support for children in underprivileged families, not forgetting donations to associations.

Most of these actions are subject to a confidentiality clause that prohibits their disclosure in this document.

2.2.2.3 PROMOTING THE MAIN ETHICS PRINCIPLES AND THE APPLICATION OF REGULATIONS ON HUMAN RIGHTS AND THE FIGHT AGAINST CORRUPTION

The Group's policy is to adhere to the main universally recognised ethical principles, particularly those concerning human rights and the fight against corruption, and to ensure that they are implemented in its operations. This policy is formalised by several additional charters and codes:

- ♦ the Group ethics charter serves to enrich the corporate project around the genuineness of the Group's purpose and ethics. It ensures compliance with the duty to acknowledge that we have towards 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 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;

- ◆ in addition to the Hermès Group's ethics charter, the code of business conduct, the anti-corruption code of conduct, available at <https://finance.hermes.com/>, and the whistleblowing system form the framework for employees to follow.

In addition, an Ethics Committee has been set up to receive and process alerts, and to provide advice and recommendations on the Group's ethics culture.

Chapter 2 "Corporate social responsibility", § 2.8, specifies these ambitions and describes in detail the principles of the ethics charter.

Our relationship with the Equiphoria institute has become a partnership in which our savoir-faire is used to the benefit of people with a disability.

The collaboration between Equiphoria and the Equestrian *métier* was born out of a need experienced by this equine therapy and hippotherapy centre (treatment using the movement of horses) based in Lozère in finding equipment that ensures the comfort of both the horse and the safety of their severely disabled patients. Using a scientific approach and a multidisciplinary team bringing together both therapists and horse specialists, Equiphoria works to improve the neurological function in people with motor or mental disabilities, using the horse's gait: "The human brain has the impression of walking". The patient-horse-therapist trio is the basis of numerous benefits for patients in terms of autonomy, neuron reconstruction and social integration. Horses work in partnership with therapists and as willing accomplices to patients. In this way, patients are able to feel the benefits on their motor skills, relationships and emotional capacities. In order to optimise both patients' sensations



and the comfort of the horses, the saddlery craftspeople in the Equestrian *métier* sought out unusual solutions. They designed a saddle pad, a genuine sheet of leather, to enable patients to really feel the steps of the horse in the best – and completely safe – way, while also ensuring the animal's comfort. The felt pad provides comfort for the horse, while the foam ensures comfort for the patient. The result is then covered in leather for an aesthetic appearance. This extraordinary item, donated by the *métier* in several sizes, is characterised by its purity, functionality and simplicity. This project has become unifying within the House, beyond the Equestrian *métier*, on account of its useful and generous nature, and is also a source of creative ideas, with the revolutionary design of the "ultimate" saddle. A moving film about this project was made and shared internally, showing how the *métier* teams and craftspeople found meaning in this work, and inciting singular emotions.