

HERMÈS 2021,
AN ODYSSEY

Hermès
2021, une Odyssée



Hermès 2021, an Odyssey



1 *HermèsFit*: a travelling gym to discover Hermès accessories through a combination of sport, humour, and elegance.

2 *Les Mains Hermès*, a ritual dedicated to the beauty of the hands in 24 nail polishes and a repairing complete care cream.

3 *Hippomobile*, fun and playful porcelain tableware inspired by jockeys' silks, to combine freely.



4 Shanghai (China): cultural excitement and creative abundance at the renovated Plaza 66 Mall store.

5 RMS, luggage at the crossroads of the world of traditional trunks, innovation, and rolling... on its skateboard wheels!

6 Milan Design Week: beautiful materials, skilful artisans, and strong graphic design for the home universe.



7 A unique combination of leather and metal, the Della Cavalleria bag is adorned with a jewellery clasp inspired by an equestrian bit.

8 Tokyo (Japan): a homage to local materials and know-how in the new store in the heart of the lively Omotesando district.

9 H24, an olfactory expression of contemporary man in motion, in perfect symbiosis with his environment.



10 Designed by Jan Bajtlik, the *Cheval de fête* scarf deploys rosettes, ribbons and geometric patterns in a graphic composition that is as joyful as it is colourful.

11 Inauguration of the Maroquinerie de Montereau (Seine-et-Marne), on a rehabilitated and replanted industrial wasteland.

12 Inauguration of the Manufacture de Guyenne (Gironde): the 19th leather goods workshop, socially and environmentally integrated into its area.

13 Laying the foundation stone of the Maroquinerie de la Sormonne (Ardennes), a future energy-positive building that will ultimately accommodate 250 artisans.



14 Beijing (China): the transformation of the store in the China World Mall store, combining local inspiration with exceptional know-how.

15 Hermès confirms its commitment as a social stakeholder and inclusive employer with the implementation of second Group Disability Agreement, valid until 2023.

16 École Hermès des Savoir-Faire: the creation of a first apprentice training centre dispensing a state diploma in leatherwork (CAP Maroquinerie).

17 More than a runway show, a live event in three acts across New York, Paris and Shanghai to showcase the women's autumn-winter 2021 collection.



18 Paris (France): the renovated store on rue de Sèvres welcomes L'Odyssée d'Hermès, a long aquatic fresco by Matthieu Cossé.

19 Lyon (France): textile know-how is showcased at the enlarged store in the French capital of silk.

20 Hermès in the Making in Copenhagen (Denmark): shining the spotlight on a unique, sustainable, and responsible artisanal business model.

ACTIVITY REPORT 2021



MESSAGE FROM THE CHAIRMEN



A WONDERFUL HUMAN ODYSSEY

2021 was marked by strong growth and exceptional results. In the face of the pandemic, Hermès' artisanal model has once again demonstrated its resilience and relevance.

We owe this success to the house's 17,600 employees who, with their talent, know-how and human values, adapted to a new paradigm without ever compromising their high standards or integrity. We rewarded this universal commitment by granting an exceptional bonus of €3,000 to every employee worldwide and a monthly pay increase of €100 for employees in France.

In the new dynamics of a world where the physical and the digital coexist, Hermès has consolidated its multi-local approach and successfully nurtured and renewed its bonds with customers in each country. In increasingly polarised markets, its rich collections and abundant creativity have enabled the house to offer sustainable objects adapted to individual desires. Innovation, whether in the development of new materials, in support functions, or in the agility of our services, has played a key role. Maintaining investments in production capacity and training – such as through the creation of the École Hermès des Savoir-Faire – is a sign of the house's deep attachment to the regions and local communities in which it operates, and of the need and willingness to act in a socially and economically accountable way. The group's commitments to managing its environmental impact and contributing to responsible growth have been welcomed by all stakeholders, as borne out by the high scores received from non-financial rating agencies.

It is therefore with pride and gratitude that we close 2021, a year that we announced as an odyssey – a journey that, despite the world's vicissitudes, reminds us of who we are.

Axel Dumas, Executive Chairman

Émile Hermès SAS, Executive Chairman, represented by Henri-Louis Bauer

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SIX GENERATIONS OF CRAFTSMEN

3

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

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

AN INNOVATIVE HOUSE PASSIONATE ABOUT ITS ERA

During the interwar period, lifestyles changed and the house broke new ground under the management of Thierry's grandson, Émile Hermès. He decisively influenced the family firm's destiny when, while travelling in Canada, he discovered the opening and closing system of an automobile hood. In 1922 he obtained exclusive rights to this American "universal fastener" – known today as the zip – which was used extensively in the house's luggage and other designs. Under the impetus of Émile Hermès, the house opened up to other métiers, while retaining a close connection with the equestrian world, drawing on its mastery of raw materials and its artisanal culture to create its first clothing collections. In 1937, the famous silk scarf was born with the *Jeu des omnibus et dames blanches* design, the first in a long series.

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

A VISIONARY HOUSE

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

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

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

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

Hermès, one house, sixteen métiers

Leather goods-saddlery, women's and men's silk, women's and men's ready-to-wear, shoes, belts, hats, gloves, jewellery, watches, perfumes, beauty, furniture and art de vivre, tableware, petit h.

NEW HORIZONS

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

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

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

In 2018, Hermès International entered the CAC 40 index, then, in 2021, the Euro Stoxx 50 index, illustrating the remarkable industrial trajectory and stock market performance of an independent, family-run house of artisans that distributes its objects through a dynamic network of 303 stores around the world. For nearly two centuries, Hermès has enriched its métiers without deviating from its strict quality standards. In this regard, the house attaches great importance to pursuing the development of its production in France, through its nineteen manufactures. Defying the trend for industrial standardisation and globalisation, Hermès stands out for its unique business model.



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GROUP OVERVIEW

GROUP MANAGEMENT

The Executive Management ensures the management of Hermès International. The role of the Executive Chairmen is to manage the Group and act in its general interest, within the scope of the corporate purpose and subject to those powers expressly granted by law or by the Articles of Association to the Supervisory Board, the Active Partner and the Shareholders' General Meetings. The roles of the Executive Chairmen are distributed as follows: Axel Dumas is in charge of strategy and operational management, and Émile Hermès SAS, through its Executive Management Board, is responsible for the vision and strategic focus. The group management is comprised of the Executive Chairman and the Executive Committee, composed of a team of managing directors, each of whom has well-defined areas of responsibility. Its role is to oversee the Group's operational and strategic management and its composition reflects the group's principal areas of expertise.



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

Executive Chairmen

AXEL DUMAS
Executive Chairman

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

Executive Committee

AXEL DUMAS
Executive Chairman

FLORIAN CRAEN
Executive Vice-President
Sales & Distribution

CHARLOTTE DAVID
Executive Vice-President
Communication

PIERRE-ALEXIS DUMAS
Artistic Executive Vice-President

OLIVIER FOURNIER
Executive Vice-President Governance
and Organisational Development

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

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

ÉRIC DU HALGOUËT
Executive Vice-President Finance

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

On 1 March 2022, two new members
joined the Executive Committee:

AGNÈS DE VILLERS
Executive Vice-President of Hermès
Parfum et Beauté
SHARON MACBEATH
Group Human Resources Director

MANAGEMENT BODIES

Supervisory Board

ÉRIC DE SEYNES
Chairman

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

1. Employee representative

Audit and Risk Committee

MONIQUE COHEN
Chairwoman

CHARLES-ÉRIC BAUER
ESTELLE BRACHLIANOFF
RENAUD MOMMÉJA
ALEXANDRE VIROS

CAG-CSR Committee

DOMINIQUE SENEQUIER
Chairwoman

ESTELLE BRACHLIANOFF
MATTHIEU DUMAS

Active Partner

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

HENRI-LOUIS BAUER
Executive Chairman

FRÉDÉRIC DUMAS
Vice-Chairman
PASCALE MUSSARD
Vice-Chairwoman
SANDRINE BREKKE
CAPUCINE BRUET
ALICE CHARBIN
ÉDOUARD GUERRAND
LAURENT E. MOMMÉJA
JEAN-BAPTISTE PUECH
GUILLAUME DE SEYNES

HERMÈS INTERNATIONAL – SIMPLIFIED ORGANISATION CHART

Hermès brand

Retail distribution

Argentina	Malaysia
Australia	Mexico
Belgium	Netherlands
Brazil	Norway
Canada	Poland
China,	Portugal
Hong Kong,	Principality
Macao,	of Monaco
Taiwan	Russia
Czech Republic	Singapore
Denmark	South Korea
France	Spain
Germany	Sweden
Greece	Switzerland
Guam	Thailand
India	Turkey
Italy	United Kingdom
Japan	United States

Production and wholesale distribution

Perfumes division
Watchmaking division
Home division
J3L division

Production

Leather Goods division
Tanning and Precious Leathers division
Textiles division

Bespoke design

Hermès Horizons

petit h

Other brands

John Lobb
Bootmaker
Cristallerie
Saint-Louis
Puiforcat
Furnishing fabrics:
Verel de Belval
Bucol
Créations
Métaphores
Le Crin

GENERAL TREND

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AN EXCEPTIONAL PERFORMANCE IN 2021

Revenue reached €9bn and grew by 42% at constant exchange rates. Recurring operating income amounted to €3.5 billion (+78%). Net income reached €2.4 billion (+77%).

In 2021, the group's consolidated revenue amounted to €8,982 million, up 42% at constant exchange rates and 41% at current exchange rates compared with 2020. Over two years, this growth reached 33% at constant exchange rates, in both the first and second half of the year. Recurring operating income jumped 78% to €3,530 million, or 39% of sales. Net income group share reached €2,445 million, up 77% compared with 2020.

When these results were announced, Axel Dumas, Executive Chairman of Hermès, said: "I would like to pay tribute first and foremost to our teams, their passion, and the quality of their work, because together we have achieved exceptional results in 2021. Abundant creativity, unique know-how, and high-quality materials have driven the growth of our sixteen métiers. Hermès takes its role as a socially responsible business very seriously and is pursuing its commitments to creating jobs around the world, revitalising its territories in France, and strengthening its ambitious environmental objectives."

ACTIVITY BY REGION AT END DECEMBER

(data at constant exchange rates, unless otherwise indicated)

Asia and the Americas recorded the strongest growth, compared to both 2020 and 2019, and Europe returned to growth compared to 2019. Sales in the group's stores increased by 44% at constant exchange rates compared to 2020, and by 41% over two years. Hermès continued with the selective development of its distribution network, alongside the strengthening of online sales worldwide, thanks to the rollout of new services and a sustained growth in traffic. Wholesale revenue (+24%) increased despite the constraints encountered in sales to the travelling public.

Asia excluding Japan (+45%, and +65% over two years) continued its momentum, driven in particular by the strong performance of Greater China, Australia, and Singapore, despite the renewed restrictions implemented in some of the region's countries. The renovated and enlarged stores in Shanghai Plaza 66, Suzhou, and Ningbo reopened their doors, following on from the China World store in Beijing in the spring. New stores have also been opened in Macau and Shenzhen. In Australia, the Brisbane store also reopened after enlargement work.

Japan (+25%, and +20% over two years) posted particularly strong and steady sales growth thanks to the loyalty of local customers and a year-end marked by the lifting of the Covid-19 state of emergency. In Tokyo, a new store was opened on Omotesando Avenue in February, while the Shinjuku Isetan store reopened in November after renovation work.

Americas (+57%, and +24% over two years) performed well despite fourth-quarter health restrictions in several US cities. Two new stores opened: in Troy near Detroit in June and in Aventura Mall near Miami in October.

Europe excluding France (+37%, and +10% over two years) recorded a good second half-year, thanks to the remarkable growth in local clientele, which partly offset the lack of tourist flow. Several stores were renovated and enlarged - Zurich in May, Milan in July, Istanbul in October - while the Luxembourg store moved to a new address in November.

France (+35%, and -3% over two years) confirmed its recovery, despite a fourth quarter marked by reduced tourist flow in its Paris stores. The stores in Lyon and rue de Sèvres in Paris reopened in February and March respectively, after renovation and enlargement work.

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ACTIVITY BY MÉTIER AT END DECEMBER

(data at constant exchange rates, unless otherwise indicated)

At end December 2021, all métiers posted renewed growth, with remarkable development in Clothing and Accessories, Watchmaking and Other Hermès métiers (Jewellery and Home).

Sales of Leather Goods-Saddlery (+29% and +23% over two years) were exceptional. After strong acceleration in the first nine months of the year, fourth quarter sales reflected capacity constraints, as expected. Demand is very high, both for new creations, such as the *Della Cavalleria* and 24/24 bags, and for the house's classics. The increase in production capacity continues, with the opening of the Louviers workshop (Eure) taking place in 2022, the Sormonne workshop (Ardennes) in 2023, and a new site in Riom (Puy-de-Dôme) scheduled for 2024. Hermès continues to strengthen its regional anchors in France and to develop employment.

In September, true to its commitment to skills transmission and education, Hermès opened the École Hermès des Savoir-Faire, accredited by the French Ministry of Education, which will deliver a state diploma in leatherwork (*CAP Maroquinerie*).

The Clothing and Accessories métier (+59%, and +44% over two years) continued its strong momentum thanks to the success of the ready-to-wear, fashion accessories, and shoe collections. The men's and women's spring-summer 2022 collections, presented in July and October respectively, were very successful.

The Silk and Textiles métier (+49%, and +15% over two years) performed well. A new printing line was inaugurated as part of the development of the Lyon site to meet demand.

The Perfumes and Beauty métier (+47%, and +19% over two years) benefited from the successful launch of the *H24* men's perfume

and *Twilley Eau Ginger*, and the development of the Beauty métier, with the rollout in the autumn of its third chapter, *Les Mains Hermès*.

Watchmaking (+73%, and +77% over two years) confirmed its marked growth, resulting from exceptional watchmaking know-how and the success of the new *H08* men's watch alongside the house's classics.

Other Hermès métiers (+57%, and +95% over two years) continued their strong momentum, both in Jewellery and in the Home universe.

EXCEPTIONAL GROWTH IN EARNINGS AND CASH POSITION

Recurring operating income, up 78%, amounted to €3,530 million compared with €1,981 million in 2020. Thanks to outstanding collection turnover rates and exceptional leverage, current operating profitability reached an all-time high of 39%, an increase of 8 points on 2020 and 5 points on 2019.

Consolidated net profit group share reached €2,445 million (27% of sales) compared with €1,385 million at end December 2020, an increase of 77%.

Operational investments amounted to €532 million. Thanks to the remarkable growth in earnings and the significant fall in working capital requirements, adjusted free cash flow reached a record level of €2,661 million, 2.7 times that of 2020.

After payment of the ordinary dividend (€476 million) and the registration of share buybacks (€162 million for 142,131 shares excluding the liquidity contract), restated net cash increased by €2,166 million to €7,070 million.

A SUSTAINABLE AND RESPONSIBLE MODEL

The Hermès group continued to recruit in 2021, increasing its workforce by nearly 1,000 people. At 31 December 2021, the group employed 17,595 people, of which 10,969 are in France. True to its duty as a responsible employer, in February 2022 Hermès paid an exceptional bonus of €3,000 to all employees in recognition of their commitment and contribution to results in a difficult context.

In 2021, the exceptional improvement in non-financial ratings reflects the acceleration in CSR commitments and the recognition of the sustainable dimension of Hermès' artisanal model. MSCI awarded the group an "A" rating when assessing its resilience to environmental, social and governance risks. Moreover, Hermès was included in the CAC 40 ESG index, after its classification by Vigeo-Eiris in the "Advanced" category. Hermès is ranked second in the Textiles and Apparel sector by Sustainalytics. Finally, the company's action in the fight against climate change is recognised in particular by the CDP, which has rated it "A-".

Faced with this major challenge, the Hermès group has reaffirmed its commitment by revising its reduction targets at the end of 2021 to align with a global warming trajectory of less than 1.5°C. These scientifically calculated targets have been validated by the Science-Based Target initiative (SBTi). Hermès is thus committed to reducing scope 1 and 2 emissions by 50.4% in absolute value, and scope 3 emissions by 58.1% in intensity (per €m of gross margin) of over the period 2018-2030.

PROPOSED DIVIDEND

At the General Meeting on 20 April 2022, a dividend proposal of €8.00 per share will be made. The interim dividend of €2.50, paid on 23 February 2022, will be deducted from the dividend approved by the General Meeting.

OUTLOOK

For 2022, the impacts of the Covid-19 pandemic are still difficult to assess. Hermès' highly integrated artisanal model, its balanced distribution network, the creativity of its collections, and the loyalty of its customers allow the group to look to the future with confidence.

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



KEY FIGURES

Key consolidated data in €m

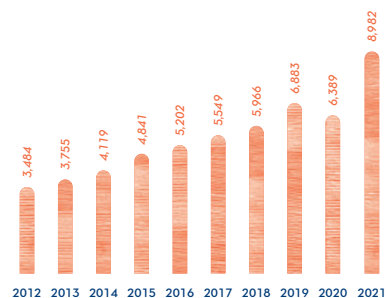
	2021	2020	2019
REVENUE	8,982	6,389	6,883
Growth at current rates vs. y-1	41%	(7)%	15%
Growth at constant rates vs y-1 ¹	42%	(6)%	12%
RECURRING OPERATING INCOME ² as a % of revenue	3530	1,981	2,339
	39%	31%	34%
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT as a % of revenue	2,445	1,385	1,528
	27%	22%	22%
OPERATING CASH FLOWS	3,060	1,993	2,063
ADJUSTED OPERATING CASH FLOW ³	2,661	995	1,406
OPERATING INVESTMENTS	532	448	478
SHAREHOLDERS' EQUITY	9,400	7,380	6,568
RESTATEd NET CASH ⁴	7,070	4,904	4,562

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

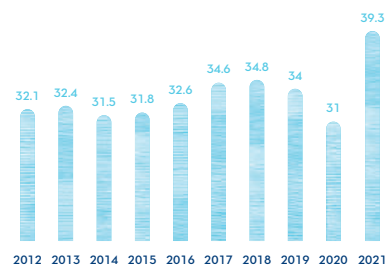
2. Recurring operating income is one of the main performance indicators monitored by the group's General Management. It corresponds to the operating income excluding non-recurring items having a significant impact likely to affect the understanding of the group's economic performance.

3. Adjusted operating cash flow corresponds to the sum of operating cash flows and change in working capital requirement, less operating investments and repayment of lease liabilities, as per IFRS 16 cash flow statement (consolidated statement of cash flows).

4. The restated net cash position corresponds to net cash plus cash investments that do not meet the IFRS criteria for cash equivalents due in particular to their original maturity of more than three months, less borrowings and financial liabilities.



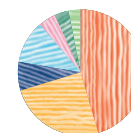
Consolidated revenue in €m



Recurring operating income as a percentage of revenue

Revenue by métier and change

	2021 Revenue in €m	/2020 Change at constant exchange rates	/2019
LEATHER GOODS AND SADDLERY	4,091	29%	23%
CLOTHING AND ACCESSORIES	2,219	59%	44%
SILK AND TEXTILES	669	49%	15%
OTHER HERMÈS MÉTIERS	1,001	57%	95%
PERFUMES AND BEAUTY	385	47%	19%
WATCHES	337	73%	77%
OTHER PRODUCTS	279	29%	9%
TOTAL	8,982	42%	33%



Revenue by métier

Leather goods and Saddlery 46%
Clothing and Accessories 25%
Other Hermès métiers 11%
Silk and Textiles 7%
Perfumes and Beauty 4%
Watches 4%
Other products 3%

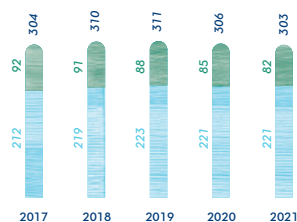
Revenue by region and change

	2021 Revenue in €m	/2020 Change at constant exchange rates	/2019
EUROPE	2,141	36%	4%
France	838	35%	(3)%
Europe (excluding France)	1,303	37%	10%
ASIA-PACIFIC	5,227	40%	54%
Japan	977	25%	20%
Asia-Pacific (excluding Japan)	4,251	45%	65%
AMERICAS	1,458	57%	24%
OTHERS	156	45%	30%
TOTAL	8,982	42%	33%



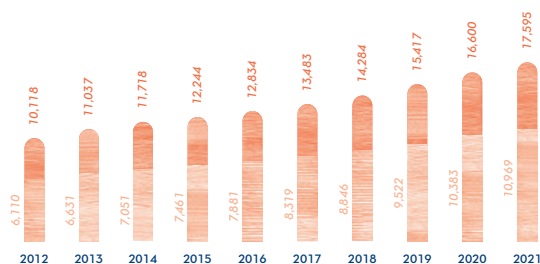
Revenue by region

Asia-Pacific (excluding Japan) 47%
Americas 16%
Europe (excluding France) 15%
Japan 11%
France 9%
Others 2%



Number of exclusive retail outlets

Branches
Concessionnaires



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

France
Rest of world



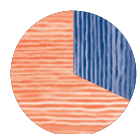
Workforce breakdown by sector

Production 48%
Sales 36%
Support functions 16%



Workforce breakdown by region

France 62%
Asia-Pacific (excluding Japan) 15%
Europe (excluding France) 11%
Americas 7%
Japan 5%



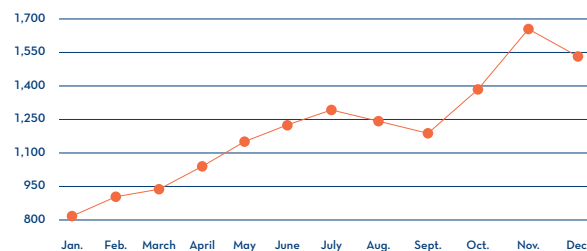
Male-Female ratio

Female 67%
Male 33%

Key stock market data	2021	2020	2019
NUMBER OF SHARES AS AT 31 DECEMBER 2021	105,569,412	105,569,412	105,569,412
AVERAGE NUMBER OF SHARES (excluding treasury shares)	104,623,330	104,430,772	104,233,233
MARKET CAPITALISATION AS AT 31 DECEMBER 2021	€162bn	€93bn	€70bn
NET EARNINGS PER SHARE (excluding treasury shares)	€23.37	€13.27	€14.66
DIVIDEND PER SHARE	€8.00 ¹	€4.55	€4.55
AVERAGE DAILY VOLUME (Euronext)	€55,257	€66,151	€54,467
12-MONTH HIGH SHARE PRICE	€1,678	€890	€689
12-MONTH LOW SHARE PRICE	€839	€516	€462
12-MONTH AVERAGE SHARE PRICE	€1,191	€729	€607
SHARE PRICE AS AT 31 DECEMBER 2021	€1,536	€879	€666

1. Subject to approval by the Ordinary General Meeting of 20 April 2022. An interim dividend of €2.50 was paid on 23 February 2022.

Hermès share price history in 2021 (in euros at month-end)



Shareholding structure at 31 December 2021

Hermès family-owned group 66.6%
Public 32.5%
Treasury stock 0.9%

SUSTAINABLE AND RESPONSIBLE DEVELOPMENT

15

A responsible social stakeholder

- 10% of the executive chairmen's variable remuneration is subject to meeting CSR criteria
- Hermès contributes to 14 of the 17 UN's sustainable development goals

Equality and diversity

- Gender equality: in 2021, the house's equal pay index is 90/100
- 67% of operations committee members are women
- The disability employment rate is 5.68% (2020)
- In 2021, a second group agreement was signed to promote the recruitment and retention of people with disabilities

Training and transmission of know-how

- 83 trainers work in the leather goods division
- 423,317 hours of training were provided worldwide, 8% more than in 2020
- 6,855 employees have been trained by the Hermès Leather School since 2011
- École Hermès des Savoir-Faire: creation of an apprenticeship training centre dispensing a state diploma in leatherworking (CAP Maroquinerie)
- 23 MOF (French craftsmanship award-winners)

Energy control and carbon footprint

- Over the past 10 years, reductions in industrial energy intensity - 48.2% and industrial water - 35.4%

- 15.3% reduction in carbon emissions across all scopes between 2018 and 2021
- Offsetting of emissions equivalent to all the carbon emissions of scopes 1 and 2, and 63.6% of emissions related to the upstream and downstream transport of goods, i.e. more than 76% of the total represented by scope 1, scope 2 and the Transport item
- 86.9% of electricity is from renewable sources throughout the group
- Absolute reduction trajectory (2018 vs 2030) of 50.4% of scope 1 and 2 emissions, and 58.1% in intensity on scope 3 validated by SBTi
- Third Livelihoods carbon fund supported in June 2021

Biodiversity

- Formal commitments under the Act4Nature International strategy
- Collaboration with NGOs: contribution to the development of environmentally friendly sectors (International Crocodilian Farmers Association, South East Asian Reptile Conservation Alliance, South African Ostrich Business Chamber, Leather Working Group, etc.)
- More than 132 million trees have been planted in ten years thanks to actions implemented as part of the 17 projects of the first two Livelihoods funds

- The biodiversity footprint of 92% (by value) of the group's activities is measured using the GBS tool in partnership with WWF France and CDC Biodiversité

Durability of objects and recycling

- More than 161,000 maintenance and repair operations carried out in 2021
- 100% of unsold products in France donated or recycled in 2022
- More than one million products incorporating a circular and eco-responsible approach developed in 2021
- 100% recycled gold and silver processed in the workshops
- 44% of the group's industrial waste is recycled

Corporate citizenship

- Nearly 1,000 jobs created, including nearly 600 in France
- 78% of objects are manufactured in France
- 400 social and charitable actions in more than 40 countries
- Continuation of the Fondation d'entreprise Hermès programmes (€40m over 5 years)
- 10 Living Heritage Companies (*Entreprise du Patrimoine Vivant*)
- Donation of €7m to the APHP Paris public hospitals federation (after €20m donated in 2020)

RATING INDICES, RANKINGS

(September 2021)

- MSCI: A rating
- Sustainalytics: 10.2 (top 1%)
- CDP 2021: A- rating (climate, water, forests)
- Vigeo-Eiris: 61/100 Advanced
- Hermès is included in the CAC 40 ESG index
- Global Compact: advanced level
- ESG ISS: C+ rating
- Hermès tops the *Financial Times* Diversity Leaders ranking
- Hermès tops *Capital's* ranking of the 500 best employers in France
- For the second consecutive year, Hermès won the Humpact Grand Prix de l'Emploi France

LABELS AND CERTIFICATIONS

- Responsible Jewellery Council
- 100% of the cardboard used for orange boxes is FSC certified

INITIATIVES AND COALITIONS

- Act4nature
- Fashion Industry Charter for Climate Action
- Fashion Pact
- International Crocodile Farmers Association (ICFA)
- Leather Working Group
- Science Based Targets Initiative (SBTi)
- Taskforce on Climate-related Financial Disclosures (TCFD)



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COMBINING RESPONSIBILITY WITH CREATIVITY

Hermès is approaching 2022 driven by a dynamic of job creation that goes hand in hand with continued investment in its distribution network and production capacity. The Louviers workshop (Eure) will be inaugurated in 2022, followed by the Sormonne workshop (Ardennes) in 2023, with a further new site in Riom (Puy-de-Dôme) planned for 2024.

As a responsible company, in 2022 Hermès is strengthening its commitments in the field of social and environmental governance. The creation of jobs for all profiles, from artisans to engineers and designers, will continue. Faced with environmental imperatives, Hermès is pursuing its ambitious objectives in terms of reducing greenhouse gas emissions and supporting its suppliers in obtaining certifications for all its sectors by 2024.

After two years of disruption caused by the pandemic, the house is delighted to be reconnecting with its global customer community through new locations: the opening of the 706 Madison Flagship in New York (USA) and a new store in Qiantan Taikoo Li in Shanghai (China). Other stores will reopen after enlargement work, such as those in Strasbourg (France), Barcelona (Spain), Doha Vendome Mall (Qatar), and the Wuhan Heartland 66 Store (China).

One of the year's highlights was the launch in March of **Hermès Plein Air**, the fourth chapter of the Beauty métier, this time devoted to the complexion.

On 20 January 2022, the Mobilier national in Paris hosted the men's autumn-winter 2022 ready-to-wear runway show. The collection stood out for its combinations of opposing materials that give the silhouettes a gentle eccentricity. On 5 March 2022, the women's autumn-winter 2022 ready-to-wear collection was presented at the headquarters of the Garde républicaine in Paris and received with enthusiasm by the press. The delicate lines of the **Soleil d'Hermès** porcelain tableware will illuminate summer tables with its twenty-four pieces, while the seventh high jewellery collection will mark a new chapter in the house's beloved jewellery of form.

As part of its commitment to preserving biodiversity, the Fondation d'entreprise Hermès will orchestrate the rollout of **Manuterra** – an educational programme designed to raise awareness about the environment – in new schools at the start of the 2022 academic year. It will also continue to support the **Massane** national nature reserve, a beech forest in the Pyrénées-Orientales region listed as a Unesco world heritage site for its remarkable biodiversity.

Finally, after a two-year hiatus, Hermès was delighted to welcome the public back to the **Saut Hermès**, whose twelfth edition was held at the Grand Palais Éphémère in Paris from 18 to 20 March 2022.





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