



2021

UNIVERSAL REGISTRATION DOCUMENT

CSR EXTRACT
NON-FINANCIAL PERFORMANCE STATEMENT
(NFPS)

Page numbers have been retained from the original version.

2.2.2 DIVERSITY AND INCLUSION

Through our *métiers*, our creations, our *savoir-faire*, our distribution network and our customers, diversity is deeply embedded in our House. Our uniqueness is based on our ongoing commitment to recruit and integrate employees from all backgrounds, whose visible and invisible differences enrich us individually and collectively.

1. These measures apply in the vast majority of entities in France, according to the provisions of the collective agreements in force.

Our humanist values help to create an inclusive working environment in which everyone finds their place through the meaning of their contribution and thrives while respecting others. This strong sense of belonging and collective working together is an invitation to join our House to share a unique collective adventure.

POLICY

The responsible employer policy implemented in the Group consists of establishing conditions that provide equal opportunity in terms of recruitment and employment, under its various components, and fighting all forms of discrimination. 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 talents are 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 neighbourhoods and areas.

MEASURES IMPLEMENTED AND RESULTS

A **global diversity and inclusion diagnostic launched in 2021** to review inclusion practices has enabled the Group to ensure that no-one in the Group is treated less favourably than another person due to a non-relevant factor such as their origin, gender, gender identity, marital status, health, sexual orientation, religious beliefs or under any other pretext.

With the help of this exhaustive questionnaire, completed by more than 100 Managing Directors and Directors of Human Resources from all countries, and 30 qualitative interviews conducted with all Managing Directors and Directors of Human Resources around the world, the Group's ambition in terms of diversity and inclusion was clarified and our commitments better structured. A Group approach has been formalised, based on the implementation of actions common to all countries and the construction of local action plans that meet the more specific challenges of each country.

In terms of joint actions, all countries where Hermès operates are required to commit to an action programme based on three areas:

- ◆ strict compliance with the principle of non-discrimination;
- ◆ strengthening of gender diversity and equality;
- ◆ better consideration of disability on a daily basis.

In order to initiate this approach in early 2022 and give visibility to the action plans defined locally, each *métier* and/or each country must appoint a Diversity & Inclusion (D&I) Officer, set objectives, a timetable for actions and monitoring indicators. The Group labour relations department will provide input to this network of D&I Officers several times a year.

This momentum is supplemented in France by the entry into force **in 2021 of the second Group Disability Agreement**, the continued communication of the gender equality at work index and the rollout of a maternity policy for all employees, with a minimum of 16 weeks' leave and the payment of salaries, supplemented by the extension of paid paternity leave in France to 28 days, as mentioned above.

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 implemented since 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.

As mentioned at the start of this chapter, Hermès was ranked in first place in the Financial Times' European Diversity Leaders 2022 rankings (<https://www.ft.com/content/33d5efd6-0f1b-4d0d-b5eb-34aab642ad7e>). This ranking, based on a survey of 100,000 employees in 16 European countries, highlights their perception and experience of their company's practices in terms of diversity and inclusion. Five criteria were assessed: gender, ethnicity, disability, age and respect for sexual orientation. Hermès stood out in particular thanks to the sense of belonging, as well as the perceived diversity of its different origins, testifying to the confidence of its employees in the House's values.

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, continued with five sessions in 2021, bringing to **800 the number of executive and local managers who took part in this programme in France**. 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.

United States

In 2021, HOP clarified its diversity mission and included the wording “an equal opportunity employer” on job sites and on all job postings for recruitment initiatives. HOP’s policy is to recruit, select and hire candidates on the basis of individual merit and ability in relation to the positions to be filled and the potential for promotion or transfer that may develop. Candidates are recruited, selected and hired with the absence of any discrimination, in accordance with applicable law. In addition, personnel procedures and practices relating to training, promotion, transfer, compensation, demotion, dismissal or termination of employment must be conducted taking into account professional performance, experience and qualifications, as well as without any discrimination, in accordance with applicable law. HOP also provides reasonable adjustments to accommodate people with disabilities, in accordance with applicable laws.

Within HOP, eight employee resource groups were created (five regional action committees for racial equality, one parents group, one LGBTQIA+ group and one women’s group). A total of 214 employees participate in one or more groups.

Japan

Diversity and inclusion were considered one of the priority projects. Seminars on “unconscious bias” were organised for employees and management. Gender parity in the management team has been identified as one of the most important issues in terms of diversity.

Within Hermès GB, diversity and inclusion are practiced on a daily basis with the subsidiary comprising 38 nationalities, illustrating the richness of the teams.

2.2.2.1.2 Social diversity

In terms of recruitment, at all levels, Hermès’ policy is not to give disproportionate weight to education, but conversely, to open up the spectrum by paying particular attention to the candidate’s experience, as well as their human qualities and personality, in order to give people of any social or geographical origin, whatever their background, the opportunity to join the Group.

In order to promote equal opportunities in career guidance, HMS has developed a partnership with the local secondary school in Pantin for work experience for 15-year old students. Another way to demonstrate its local integration.

2.2.2.1.3 Gender equality

The Group’s policy is to promote gender equality. Gender equality is particularly taken into account within our House, with the Operations Committee comprising 67% women, while 60% of managers are women.

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. The gender equal pay index implemented in France is 90/100. Hermès GB, which conducts a specific annual gender review, also published a score measuring the gender compensation gap, with a result of between 96.5% and 98% depending on the criteria.

Training is provided to management and the subject is specifically addressed in the framework of human resources department meetings. Women in management and responsibility positions in production sites benefit from programmes designed to encourage women in leadership in the form of personalised coaching.

2.2.2.1.4 Disability

The Group has always been concerned with the integration and retention of people with disabilities, operating a proactive policy. Following the signing of the first Group Disability Agreement in 2017, numerous initiatives and commitments, relayed in particular by the Disability Officers, enabled the Group to make considerable progress, bringing **the direct employment rate at 5.68% at the end of 2020. The number of people with disabilities has doubled in four years, exceeding 560 employees recognised by the end of 2020.**

In %	2019	2020	2021
Direct employment rate of people with disabilities	4.89	5.68	To be published in June 2022 ¹

The commitment and the remarkable results of the Disability policy conducted in France were welcomed by the visit of the delegated Minister in charge of Integration to our premises in Pantin in November 2021 on the occasion of the European Week for the employment of people with disabilities (SEEPH), during which the House initiated more than 90 Duodays throughout France.

These results are based on numerous partnerships with specialised institutes (for example the INJS - National Institute for Young Deaf People), associations (Cabat, AspiJob, APF, etc.) or schools (Sciences Po

Paris’ Accessible programme) and demonstrate the care that the House pays to employees facing a disability and which make inclusion a reality.

The **second Group Disability Agreement signed on 22 July 2020** with all union coordinators entered into force for 2021-2022-2023. It pursues the Group’s ambitions in terms of inclusion, while adapting commitments to new legislative and regulatory directives, and responding to the following challenges:

- ◆ promoting the employment and integration of people with disabilities;

1. In view of the Disability reform in France, the data for 2021 will be published at the end of the first half of 2022.

- ◆ 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;
- ◆ 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 2021, 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 Disability Agreement team to continue its work over the three years of the agreement with the same budget.

This Group Agreement is implemented by a network of 14 Disability Officers, present in each *métier* (Textile, Leather, Crystal, Perfume, Home, Women, Hermès Group Services, Hermès International, Hermès Commercial, Hermès Distribution France) to help all sites make progress in integrating and retaining those who are temporarily or permanently disabled in employment.

The network of Disability Officers meets on a regular basis to share best practices, visit sheltered work establishments (ESATs) and promote skills development. In 2021, more than 35 French employees took their first steps to recognise their disability. In this way, they demonstrate the trust they have in Hermès and will benefit from dedicated support in their position and their job retention. Under the partnership with the SciencesPo Accessible programme, seven managers mentored Sciences Po students with disabilities for several months.

More than 50% of the Disability Agreement budget was devoted to adapting workspaces or financing individual equipment.

Despite the particular health situation, the Group's Disability Agreement team took part in six job forums dedicated to disability in 2021, mainly in virtual mode. Since the first agreement, 95 recruitment and human resources players were trained in this type of recruitment to help them feel more comfortable in recruiting people with disabilities.

The OMEGA agreement signed with the French Army Wounded Aid Unit (CABAT) to promote the reclassification of wounded soldiers, made it possible to present them with various opportunities and to recruit one of them. Other positions are being studied. By supporting these soldiers, the Group contributes to the national defence effort. On 2 March 2021, by signing this OMEGA charter with the *Gouverneur Militaire de la place de Paris* at Les Invalides, Hermès committed to promoting the reintegration of French military personnel injured in combat, mainly suffering from post-traumatic stress disorder. By helping them build a

retraining project by transposing their skills acquired on the ground, they can thus rebuild themselves in civilian life. As such, one of the wounded soldiers recruited stated that his hiring had enabled him to move forward and turn the page. He stressed how much he appreciated the welcome, the attention paid to him and the working environment, having found similarities with his military experience such as rigor, team spirit and fellowship. He confirmed that he felt at ease in the leather goods workshop and regained a taste for civilian life.

The Fitolieu site, a production site and training school for leather goods in the Alps, is pursuing a particularly active policy of inclusion with an adapted recruitment process and constantly updated teaching methods to adapt to different types of disability.

On the occasion of World Disability Day in early December, the **Handi'Cap 2021 forum**, an annual highlight organised exceptionally in virtual form, **brought together nearly 200 committed internal stakeholders**, essential levers for the effective implementation of the Disability policy. This forum was an opportunity to celebrate the launch of the new network of ambassadors, made up of more than 110 disability ambassadors, who volunteered at the sites to support and increase the ambition of inclusion.

The Group participated strongly in the **Duodays 2021 operation** by welcoming 90 duos in the various production units, as well as in stores such as Lille. This involves changing attitudes by welcoming people with disabilities who are looking for work or who come from ESAT-type support structures and over the course of a day showing them the work of employees so that they may take a look behind the scenes of the production or support function *métiers*. Coming from various support structures such as Cap Emploi, ESATs or student associations, everyone was able to discover 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.

Internationally, a number of countries are carrying out specific actions for people with disabilities:

- ◆ in Canada, a rigorous accessibility policy is in place and sales associates are trained in accessibility;
- ◆ in Taiwan, Hermès supports drawing classes for students with autism disorders to enable them to express their talents;
- ◆ in Russia, relationships have been developed with disability integration associations, for inclusive workshops in Saint Petersburg with adults with disabilities. The second partner organises environmental projects with volunteers, with inclusive projects involving some of the employees in their projects;
- ◆ in China, on the occasion of Family Day, catering services are provided by a structure in which more than 70% of workers have disabilities.

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 achieve this, 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, is regularly proposed to employees, in addition to the Fondation d'Entreprise Hermès H3 programme.

This 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. 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.

An active network of more than 80 skills sponsorship ambassadors facilitates the rollout of this approach as closely as possible to the teams in France. Thanks to this volunteer programme, which has been formalised in a Group methodology since 2017, **employees in France can benefit from five paid working 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.

2.2.2.2.2 Organisation

Since 2020, under the leadership of the Fondation d'entreprise Hermès and the Hermès International solidarity and social action department, all sponsorship policies have been 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.

Within the framework of a dedicated budget allocated annually by the subsidiary, each division defines its priorities according to its activity and location, as well as the 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.

Most of the 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

Major international ethics principles	Internal framework	Examples of implementation
<p>The Universal Declaration of Human Rights</p> <p>The Charter of fundamental rights of the European Union</p> <p>The Charter of fundamental principles and rights of the International Labour Organization</p> <p>The OECD Guidelines for Multinational Enterprises</p> <p>The Global Compact under the aegis of the United Nations</p>	<p>Ethics charter</p> <p><i>Aims to promote respect and ensure proper application of major international ethics principles.</i></p>	<p>Ethics Committee</p> <p><i>The committee collects and processes alerts, as well as providing advice and recommendations on the Group's ethics culture.</i></p> <p>H-Alert! system</p> <p><i>Employees are encouraged to report grave and serious incidents through several information channels.</i></p> <p>Supplier brief</p> <p><i>Suppliers integrate the Group's human rights expectations.</i></p> <p>Métier/subsidiary EHS policies</p> <p><i>Policies include good working conditions for employees.</i></p>
	<p>Code of business conduct</p> <p><i>Aims to raise awareness of certain risks and give employees appropriate behavioural reflexes.</i></p>	
	<p>Anti-corruption code</p> <p><i>Aims to promote an ethics culture in which breaches of probity have no place.</i></p>	
	<p>Handbooks C1 and C2 for supplier commitment</p> <p><i>Seeks the adhesion of all suppliers on matters of confidentiality, fair trading (C1) and social, environmental and ethics policy (C2).</i></p>	
		<p>UK modern slavery act</p> <p>California transparency supply chain act</p> <p>Modern slavery act Australia</p>

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 more charters and codes that fall within the framework of fundamental principles such as the Universal Declaration of Human Rights, the rules of the ILO, the OECD and the Global Compact governing sustainable development:

- ♦ the Group ethics charter aims to promote compliance and to ensure the proper application of laws, regulations and key principles. It also deals with Hermès' relations with employees, suppliers, customers, shareholders and society, as well as the high standards of Hermès objects;
- ♦ 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;
- ♦ the Hermès Group's ethics charter, the code of business conduct, the anti-corruption code of conduct, available at <https://finance.hermes.com/fr/ethique-droits-humains-et-diversite>, 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.

The ambitions of the Ethics Committee and the principles of the ethics charter are described in § 2.8.