



2021

UNIVERSAL REGISTRATION DOCUMENT

CSR EXTRACT
NON-FINANCIAL PERFORMANCE STATEMENT
(NFPS)

Page numbers have been retained from the original version.

2.7.2.2.2 TCFD correspondence analysis

Hermès presents its actions according to the framework recommended by the TCFD. The TCFD (*Task Force on Climate-related Financial Disclosures*) is a working group created in December 2015 during COP21. This working group has published recommendations,

updated in 2021, on how to report and publish the risks and opportunities related to climate change, with the aim of increasing transparency between companies and investors in order to reduce investment risks, and reconcile the short-term financial decisions with the long-term consequences of climate change.

Correspondence grid based on TCFD

	Sections in the universal registration document
Governance	§ 2.1 and 2.5
<i>The Group's Executive Chairman, Axel Dumas, was involved in many climate-related issues in 2021, including the decisions to revise Hermès' climate commitment upwards with the SBTi validation for a trajectory of 1.5° C.</i>	
◆ Oversight by the Board of Directors of climate-related risks and opportunities	§ 2.1.6 and 2.5.4
◆ Management role in assessing and managing climate-related risks and opportunities	§ 2.1.6, § 2.5.1 and § 2.5.4
Climate strategy	§ 1.10 and § 2.5
◆ Risks and opportunities related to the climate that the Group has identified in the short, medium and long term <i>The exposure to transition risk is studied both by the audit and risk management department in its vertical analysis of the House's main activities, by the industrial affairs and sustainable development departments and by the Sustainable Development Committee, with a more cross-cutting vision.</i>	§ 2.5.4.1
◆ Impact of climate-related risks and opportunities on the Group's activities, strategy and financial planning <i>Climate system disruptions and related operational, regulatory and political transition issues, such as carbon pricing, are already identified as physical and transition risks with impacts on the Group's supply chain, various operations (manufacturing, logistics, distribution), as well as on the behaviour of its customers.</i>	§ 1.10
◆ Resilience of the organisation's strategy, taking into account different climate-related scenarios, including a 2° C or lower scenario. <i>In 2019, the Group initiated the analysis of the IPCC (Intergovernmental Panel on Climate Change) scenarios RCP 2.6 (equivalent to a 2° C scenario), RCP 4.5 and RCP 8.5. These analyses are conducted over three time scales (two-year budget vision, within five years and a long-term vision of 25 years).</i>	§ 2.5.4.1
Management of climate risk	§ 2.5 and § 4.3
<i>The Group's risk management process is based on the preparation of risk mapping as well as the use of additional tools to define the level of priority to be associated with the risks identified and the actions to be implemented to mitigate them. These risk maps are regularly updated and the action plans are monitored directly by the Group's various entities under the supervision of the audit and risk management department. They are consolidated annually into a Group-wide risk map, including climate-related risks such as the scarcity of certain raw materials.</i>	
◆ Group processes to identify and assess climate-related risks	§ 2.5.4.1 and § 4.3
◆ Group processes for managing climate-related risks	§ 4.3
◆ Integration of processes for identifying, assessing and managing climate-related risks into the organisation's overall risk management	§ 4.3

	Sections in the universal registration document
Metrics and targets	§ 2.5
<i>The SBTi validated Hermès' carbon emission reduction targets, confirming the consistency of its policy with the Paris Agreements' 1.5 °C trajectory.</i>	
◆ Indicators used by the Group to assess climate-related risks and opportunities, in accordance with its strategy and risk management process	§ 2.5.1 and § 2.5.4
◆ Communicate scopes 1, 2 and, if appropriate, 3 greenhouse gas (GHG) emissions, as well as related risks	§ 2.5.4.2.1
◆ Objectives used by the Group to manage climate-related risks and opportunities and performance against these objectives	§ 2.5.4.2 and § 2.5.4.3