

# Code of ethics The Essentials

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For more than six generations, the values of craftsmanship have shaped Hermès' development and, at the same time, its relationship with the world.

In line with the company's vision, Hermès' ambition in terms of sustainable development involves ensuring the authenticity of the object and the application of our house's ethics to all aspects of our business.

The house's values are formalised in a code of ethics, updated in 2018 and available in twelve languages and distributed to all employees worldwide.

Signed by the executive management, it is given to all new employees when they start work at the house.

**H**ermès is a mosaic of women and men who work hard daily for its development throughout the world. Beyond their uniqueness, the people who bring the group to life have a common desire to share certain unifying and founding values of the spirit that has characterised Hermès since 1837.

Even though these values are experienced and transmitted above all through personal adherence, the code of ethics reaffirms our common desire to respect certain fundamental principles that facilitate relations both internally and with customers, suppliers and, more generally, with the environment in which Hermès operates.

The purpose of the code of ethics is to nurture the company's vision around the authenticity of the object and the group's ethics. It ensures that our employees and partners respect their duty of acknowledgement.

This code 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 of course 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.

Happy reading ! We are counting on your contribution to continue to embody the values it conveys and to nourish them with your own mark.

HENRI - LOUIS BAUER  
Président du Conseil de gérance  
d'Émile Hermès

AXEL DUMAS  
Gérant d'Hermès International

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## HERMÈS' RELATIONSHIPS WITH ITS EMPLOYEES

are based on the duty of mutual recognition between the people who contribute with integrity to the company's vision and the company itself.

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These relationships are founded on humanistic and responsible management, which is based on the preservation of the physical and mental health of employees.

The house's unifying values are trust, exemplarity, excellence, high standards, recognition, respect, enthusiasm, solidarity, discretion and the quest for harmony.

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## HERMÈS' RELATIONSHIPS WITH ITS SUPPLIERS

imply adherence to its quest for excellence for the long-term, based on their ability to adhere to the house's principles.

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The main principles of our relations are : trust and consideration, selectivity on quality criteria but also in social and environmental spheres, the search for balanced long-term relationships, fair treatment and impartiality, absolute respect for the criteria of ethics and integrity, transparency in the relationship.

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## HERMÈS' RELATIONSHIPS WITH ITS CUSTOMERS

Hermès seeks to surprise and inspire its customers with exceptional creations, products, services and stores.

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Hermès seeks to welcome each customer with warmth, respecting diversity and cultures. For the sake of discretion and respect, Hermès protects the confidentiality of information and personal data of its customers.

Hermès maintains a relationship of trust with its commercial partners (dealers, operators and distributors) based on integrity and loyalty, and focussed on durability.

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**THE HERMÈS OBJECT**

is identifiable by its style, the know-how that gave rise to it, and its quality, which is an absolute requirement.

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The absolute requirement in terms of materials, know-how, attention to detail applies both internally and externally.  
The authenticity of the materials, including their origin, as well as their manufacture, ensure the durability of the objects.

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For the long term,

**THE RELATIONSHIP BETWEEN HERMÈS  
AND ITS SHAREHOLDERS**

is based on the transparency of information and rigorous management.

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Hermès seeks to share its long-term strategy and values as well as the results of its business activities with its shareholders, without distinction and with due respect for equality between each of them.

Hermès strives to develop its business activity and its results harmoniously, to protect the company's assets, to ensure governance in line with best practices in the marketplace, and to report transparently on the group's activities.



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**HERMES' RELATIONSHIP  
WITH SOCIETY**

Hermès is an attentive, concerned and committed player in its ecological, social, economic and cultural environment.

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The house strives to protect the environment and to integrate as carefully as possible into it.

It complies with all legal obligations and seeks to pre-empt changes to them whenever possible. It seeks to improve its production processes by choosing the cleanest technologies and products that best protect the environment and biodiversity, respecting natural resources and managing energy consumption. Waste is managed by minimising its production and recycling whenever possible. Hermès designs its manufacturing sites so as to integrate them into the landscape, prevent accidental pollution and limit noise and nuisance.

Hermès also seeks to ensure dialogue and consultation with all stakeholders in order to contribute to the economic and social development of the regions and employment areas in which its manufacturing and commercial sites are located. Hermès invests in each of the areas where manufacturing or sales sites are present, making the greatest possible use of local resources, in order to contribute to the life of the local economy and also to be a good corporate citizen in a spirit of local responsibility.

The group's ambition is to contribute to the development of the regions by creating direct and indirect jobs through its local roots. The development of a new production site thus makes it possible, in a logic of transmission of know-how, to hire in local employment areas young labour market entrants, people who are far from employment or people undergoing professional retraining. These employees, whether recruited locally or not, follow an internal training

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programme, whatever their function, in order to support the excellence of their know-how and preserve their employability.

The group, through its humanist values, is committed to providing individual support to all employees who may be affected by any site closure, regrouping or restructuring, including training, internal mobility and working time organisation.

Hermès is committed to increasing its involvement and solidarity in all the territories in which it operates. These environmental, cultural or solidarity actions are carried out by group employees during their working hours as well as in their own time, with local communities. The monitoring and validation of these projects is set up with a dedicated committee, responsible for validating the quality of the operations carried out. These commitments, made locally, are carried out in addition to the philanthropic initiatives of Hermès and the House's Fondation d'entreprise.

The group is attentive to the harmonious sharing of added value between its employees, shareholders and society. In addition, the group is committed to conducting a responsible fiscal strategy in order, on the one hand, to secure its future development and, on the other hand, to contribute to social and societal equilibrium. Hermès' tax strategy emphasises on strict compliance by all group companies with the regulations in force, income is taxable in the place where the income is generated, the avoidance of creating legal structures or setting up operations for purely tax purposes and the avoidance of tax evasion schemes or structures. This strategy, based on a simple and transparent organization, is reviewed and approved by the Executive Committee at least once a year.

## ADHERENCE TO INTERNATIONAL PRINCIPLES

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The Hermès Group's ethics policy aligns with the universal framework set out by the major principles, standards and international agreements, adhering notably to :

- the Universal Declaration of Human Rights;
- the European Union Charter of Fundamental Rights;
- the International Labour Organisation's Charter for Fundamental Rights <sup>(1)</sup>, which covers freedom of association, the fight against forced labour, child labour, and discrimination;
- the OECD guidelines <sup>(2)</sup>;
- the United Nations Global Compact <sup>(3)</sup> (Advanced level) inviting companies to adopt, support and apply, within their sphere of influence, a set of ten fundamental values in the following areas: human rights, labour standards, the environment, the fight against corruption;
- the United Nations Guiding Principles on Business and Human Rights, which commit companies to respecting human rights and addressing the negative impacts of their activities.

These principles apply to the group's companies and our suppliers must undertake to comply with them.

The group does not tolerate discrimination on any grounds, whether race, sex, age, religion, sexual orientation, political opinion, or trade union sympathies.

Compliance with the principle of non-discrimination is an integral part of the values and principles that unite all Hermès Group employees and form the basis of its commercial and/or operational practices in a business context.

(1) The International Labour Organisation is the UN agency that brings together the governments, employers and workers of its Member States, in a common effort to promote decent work throughout the world.

(2) The OECD (Organisation for Economic Cooperation and Development) brings together the governments of thirty countries in support of the principles of democracy and the market economy, for the purposes of :

- supporting sustainable economic growth,
- developing employment,
- raising living standards,
- maintaining financial stability,
- helping other countries to develop their economies,
- contributing to the growth of worldwide trade.

(3) The Global Compact is an initiative launched in 1999 under the aegis of the United Nations. This compact invites companies to adopt, support and apply, within their sphere of influence, a set of ten fundamental values in the following areas: human rights, labour standards, the environment, the fight against corruption.