



2022

# UNIVERSAL REGISTRATION DOCUMENT

CSR EXTRACT NON-FINANCIAL PERFORMANCE  
STATEMENT (NFPS)



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#### 2.5.4 WASTE CONTROL

A major aspect of environmental protection and societal responsibility, waste and discharge management means that each of the House's various *métiers* does all it can to reduce the production of waste and discharges and to recycle or recover them.

**CHANGE IN VOLUME OF WASTE (EXCLUDING FARMS) OVER THE LAST THREE YEARS**

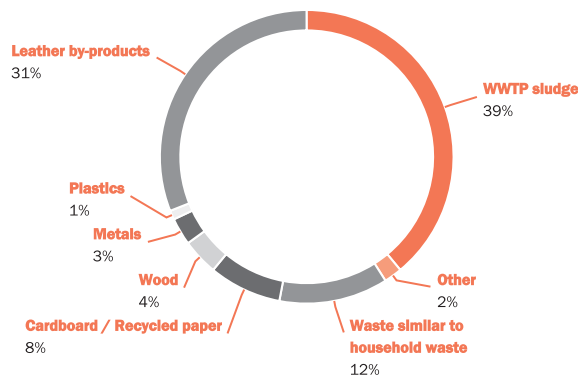
WASTE	2020	2021	2022
NHW <sup>1</sup> in tonnes	6,012	10,043	11,143
HIW <sup>2</sup> in tonnes	5,189	2,787	3,193
<b>TOTAL IN TONNES</b>	<b>11,201</b>	<b>12,830</b>	<b>14,336</b>

(1) Non-hazardous waste.

(2) Hazardous industrial waste.

In order to align with European legislation on waste classification, sludge from the treatment of effluents from the Tanneries division has been reported in the NHW category since 2021; it was previously reported in the HIW category).

Between 2021 and 2022, the quantity of waste increased by 11.7% at Group level (excluding farms), in line with the growth in activity.

**TYPES OF NON-HAZARDOUS WASTE GENERATED BY INDUSTRIAL SITES**

The main types of non-hazardous waste generated by industrial sites are WWTP <sup>(1)</sup> sludge, process sludge and matter resulting from cleaning operations, as well as leather by-products generated during the tanning steps (non-usable parts of raw hides or cutoffs related to thinning, for example).

The hazardous industrial waste generated (22.3% of the total) consists mainly of culet (crystal debris) that cannot be reused at Cristalleries Saint-Louis but is reused in a metal refinery, dyes used in textile printing units, or sludge from surface treatment sites.

**WASTE DESTINATION**

The wide range of *métiers* prevents an overall waste management policy, other than the general principle of avoiding its production and working to improve its reuse and recovery. Waste management is therefore entrusted specifically to each manufacturing division by means of a dual policy of waste reduction and recycling wherever possible. The main contributors are the tanneries, textile, crystal manufacturing, leather, perfumes and real estate divisions.

**In 2022, 41% of waste was recovered (recycling, reusing, energy recovery)** and the Group aims to increase this ratio in the coming years.

**Tanneries / +19.2% increase in waste production in 2022 compared to 2021**

The raw material used in the tanneries is the entire hide, referred to as “raw” hide, a putrescible organic product. Tanning involves processing the hide into a durable product, a finished leather, using successive operations that eliminate matter and generate effluent. The reduction of tannery waste naturally starts with the improvement of the quality of the raw hides. Tanning generates unavoidable waste, associated with trimming the edges of the hides (“trimming”) or preparing the internal surface of the hide (“fleshing”). Processing hides in successive baths also generates effluents, which are processed at site treatment plants and result in the production of sludge. The management of this sludge is strictly regulated in the geographical areas where the Group operates (European Union) and complies with the regulations in force. The tanneries are constantly seeking new reuse channels for this waste and are active participants in the think tanks that are brought together at Hermès to discuss leather waste, and in the work done by the Centre technique du cuir (CTC – Leather Technical Centre). The HCP division is also studying the retrieval and recovery of leather scraps from tanning with various partners.

In 2022, the division’s overall waste production increased by 19.2% compared to 2021. This increase is linked to an increase in production at the Calfskin division and at the Mégisserie Jullien, which has sharply increased its activity, as well as the continuous improvement of effluent treatment systems, which leads to an increase in sludge production (which is nevertheless stable on these sites by ratio to leather produced).

NHW represents more than 90% of waste generated by the tanneries, with sludge from on-site effluent treatment alone accounting for more than half of this NHW. At-source sorting of waste streams is in place on sites and 100% of the waste produced is evacuated to approved channels. On-site waste storage is optimised to prevent any pollution risk (sheltered storage areas, retention basins, etc.) and regular awareness-raising initiatives focusing on sorting and the layout of work areas are carried out among employees.

**Farms / 13% increase in waste production in 2022**

The amount of waste generated on farms increased in 2022 (+13%) due to the growth in activity of the new Australian farm and related works. In the Farms division, which also includes the processing and inspection of hides, non-hazardous waste represents 95% of annual production and is composed of operating waste (animal by-products, sludge from effluent filtration systems, wood or cardboard) as well as waste from the renovation of facilities (inert waste, plastics or ferrous scrap metal) and household waste. The salt used in the salting of raw hides is considered hazardous industrial waste (under the regulations in force in the States in which the hide processing and inspection facilities are located) and makes up almost all the hazardous industrial waste generated by the division. In order to avoid any pollution, this waste is stored in covered and retention areas. They are then evacuated to approved local treatment channels.

1. Wastewater Treatment Plant.

### Textile / 17% increase in waste production in 2022

With the strong growth in activity, the volume of waste generated by the HTH division increased by 17% in absolute value compared with 2021, although waste reduction efforts made it possible to limit this increase by reducing consumption per unit of textile produced (-9%).

This change is linked to the increase in dye waste (+25%), the volume of which is proportional to that of the activity and which represents 50% of the division's waste. The volume of non-hazardous waste was stable (+4%) and more than half of this (52%) was recycled compared to 44% in 2021.

Thus, of all waste from this activity, 71% was recovered as energy, 21% sorted and recycled, and 7.5% follows another treatment method (e.g.: composting), with only 0.5% incinerated or landfilled. Thus, only specific waste such as IHCW or part of the waste from isolated sites where there is currently no alternative treatment is eliminated.

Through monthly meetings involving the sites as well as the service provider, the ensures that recycling and recovery solutions are systematically favoured. Each new flow is validated.

At the same time, the sector is carrying out in-depth projects to significantly reduce the volume of waste emitted. Ateliers AS and SIEGL have developed a system for holding textile parts using a reusable adhesive film to replace glue. This system saved 2 tonnes of chemicals used to clean the glue. The SIEGL site has also significantly reduced the volume of plastics discarded by modifying the double-sided scarf process, thus eliminating 120 km of plastic film.

### Crystal manufacturing

Cristalleries Saint-Louis is developing a waste sorting, treatment and recovery policy adapted to environmental and economic issues. It is coordinated around the following major axes:

- ◆ reduce the amount and harmfulness of waste produced;
- ◆ prioritise the recovery of products whenever possible;
- ◆ choose sustainable treatment channels adapted to the products;
- ◆ commit to a green economy that is more respectful of people and their environment.

As part of a process of recovery rather than waste disposal, Saint-Louis uses most of the residues from its crystal production, cullet, in an internal recycling circuit where it becomes raw material again. Since 2022, the work undertaken in parallel with the installation of the new gas melting furnace has made it possible to optimise the quantity of cullet that can be recovered by cleaning the flow from drains.

Non-hazardous waste is sorted as precisely as possible to be sent to appropriate channels (wood, cardboard, paper, metal, polymers, crystal, etc.) where it can be recovered.

Waste classified as hazardous is separated at each production phase and follows a pathway adapted to its characteristics until shipping. Depending on its nature, hazardous industrial waste is sent to the most appropriate channels in accordance with applicable regulations and which meet quality, safety and environmental requirements.

### Leather

The proportion of non-hazardous waste recycled and recovered for energy out of the total tonnage generated by the Leather Goods division was 88% in 2022. Household waste represents 59% of the total. Composting facilities have been set up at certain leather goods workshops to recover organic waste and avoid its transportation. The other main sources of non-hazardous waste are cardboard (11%) and wood (5%).

The leather goods activity generates little hazardous industrial waste: 7% of the total annual tonnage of waste in 2022. Most of this deposit consists of packaging, glues and dyes used in the manufacture of leather goods. 91% of all hazardous industrial waste is recycled or recovered.

Leather scraps, parts not used in the "cutting" activity of production units, are sold to specialised channels, sorted and reused. These by-products from activity are not included as "waste" in this report.

The division also takes part, in the context of the recovery of production waste, in working groups on the reuse, recycling and recovery of its waste within Hermès, as well as in the work carried out by the Centre technique du cuir (CTC – Leather Technical Centre) on this subject.

<b>WASTE</b>			
<b>TONNES/2022</b>	<b>NHW (1)</b>	<b>HIW (2)</b>	<b>Total</b>
Tanneries	7,849	492	8,341
Textile	587	898	1,484
Crystal	233	886	1,119
Leather	1,139	73	1,212
Perfume and Beauty	507	287	794
Logistics	392	0.3	393
Metal	169	472	641
Porcelain	86	7	93
Beyrand	41	36	77
Watches	53	41	94
Bootmaker	89	1	90
<b>TOTAL (EXCLUDING FARMS)</b>	<b>11,143</b>	<b>3,193</b>	<b>14,336</b>
Farms	1,253	60	1,314

(1) Ordinary industrial waste

(2) Hazardous industrial waste

<b>INDUSTRIAL WASTE INTENSITY (EXCLUDING FARMS) OVER THE LAST THREE YEARS</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
NHW intensity (t/€M)	0.94	1.12	<b>0.93</b>
Change	9%	+19%	<b>17%</b>
HIW intensity (t/€M)	0.81	0.31	<b>0.27</b>
Change	12%	62%	<b>14%</b>