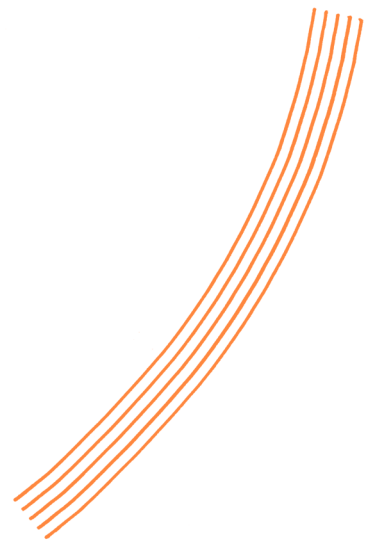
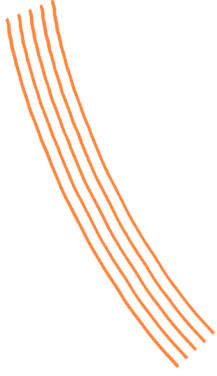




LIGHTHEARTED!



# ACTIVITY REPORT 2022

5 MESSAGE FROM  
THE CHAIRMEN

6 SIX GENERATIONS  
OF CRAFTSMEN

8 GROUP OVERVIEW

10 GENERAL TREND

14 KEY FIGURES

20 SUSTAINABLE  
AND RESPONSIBLE  
DEVELOPMENT

22 COMBINING  
RESPONSIBILITY  
WITH CREATIVITY

# MESSAGE FROM THE CHAIRMEN

## THE DESIRABILITY OF CREATIVE OBJECTS

In 2022, our house met with unprecedented success. All over the world, our customers both loyal and new showed their appreciation for our collections. In these uncertain times, they were no doubt seeking colour, fantasy and spirit. They no doubt felt the urge to surround themselves with beautiful materials, objects made with exceptional know-how, and new creations. In the complex economic, health and geopolitical context of 2022, Hermès was more than ever synonymous with confidence.

These results support our business model: Hermès is a house of creation offering objects for every day that are both durable and functional, objects of assertive style and uncompromising quality. Commended for its responsible approach, which places people at its heart, Hermès remains in tune with the times. We are pleased to have been able to continue to invest in our production capacities, creating jobs, mainly in France, to have maintained our work in training and passing on artisanal skills, and in the research and development of fine materials, and to have continued to support our long-standing partners.

Hermès is upholding and renewing its environmental and social commitments in order to maintain a virtuous circle of growth, for both its employees and its partners, and more broadly for all of its communities and ecosystems.

In 2022, the house launched *Hermès Plein Air*, its complexion line, and received two major watchmaking awards for *Arceau, Le temps voyageur*. We will also never forget the opening of the new Maison Hermès at 706 Madison Avenue in New York and the *Kelly en désordre bag!* But 2022 will also and above all remain the year of our first cohort of trainees at the École Hermès des savoir-faire, which awards the French certificate of professional aptitude in leatherworking; the year the company was named in the list of SBF120 companies feminising their governing bodies; and the year in which Hermès employed nearly 20,000 people.

Our successes belong to the teams who work with enthusiasm and discernment every day to make Hermès a house full of life, a house of its time, with a rich history that encourages us to look further. I thank them for their confidence and entrepreneurial spirit.

**Axel Dumas**, Executive Chairman

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



# SIX GENERATIONS OF CRAFTSMEN

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 150<sup>th</sup> 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 silk, men's silk, women's ready-to-wear, 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 300 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 manufactures. Defying the trend for industrial standardisation and globalisation, Hermès stands out for its unique business model.

# GROUP OVERVIEW

## GROUP MANAGEMENT

The Executive Management ensures the management of Hermès International. The role of the Executive Chairman 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 MEMBERS OF THE EXECUTIVE COMMITTEE IN THE LEATHER WORKSHOPS IN PANTIN, ÎLE-DE-FRANCE.

Left to right: Agnès de Villers, Pierre-Alexis Dumas, Olivier Fournier, Sharon MacBeath, Guillaume de Seynes, Axel Dumas, Catherine Fulconis, Florian Craen, Charlotte David, Wilfried Guerrand and Éric du Halgouët.

### 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 and Distribution

**CHARLOTTE DAVID**  
Executive Vice President  
Communication

**PIERRE-ALEXIS DUMAS**  
Artistic Executive Vice President

**OLIVIER FOURNIER**  
Executive Vice President,  
Corporate Development  
and Social Affairs

**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

**SHARON MACBEATH**  
Group Human Resources Director

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

**AGNÈS DE VILLERS**  
Chairwoman and  
Executive Vice President  
Hermès Perfume and Beauty



## MANAGEMENT BODIES

### Supervisory Board

ÉRIC DE SEYNES  
Chairman  
MONIQUE COHEN  
Vice Chairwoman  
DOMINIQUE SENEQUIER  
Vice Chairwoman  
DOROTHÉE ALTMAYER  
PRESCIENCE ASSO<sup>1</sup>  
CHARLES-ÉRIC BAUER  
ESTELLE BRACHLIANOFF  
MATTHIEU DUMAS  
BLAISE GUERRAND  
JULIE GUERRAND  
OLYMPIA GUERRAND  
RENAUD MOMMÉJA  
ANNE-LISE MUHLMAYER<sup>1</sup>  
ALEXANDRE VIROS

### 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 SAS  
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

<sup>1</sup>Employee representative.

## HERMÈS INTERNATIONAL – SIMPLIFIED ORGANISATION CHART

Hermès brand		Other brands	
Retail distribution		Production and wholesale distribution	Bespoke design
Argentina	Malaysia	Perfumes division	John Lobb
Australia	Mexico		Bootmaker
Belgium	Netherlands	Watchmaking division	Cristallerie
Brazil	Norway	Home division	Saint-Louis
Canada	Poland	J3L division	Puiforcat
China, Hong Kong, Macao, Taiwan	Portugal		Furnishing fabrics:
Czech Republic	Principality of Monaco		Verel de Belval
Denmark	Russia*	Production	Bucol
France	Singapore	Leather Goods division	Créations
Germany	South Korea	Tanning and Precious Leathers division	Métaphores
Greece	Spain	Textiles division	Le Crin
Guam	Sweden		
India	Switzerland		
Italy	Thailand		
Japan	Turkey		
	United Kingdom		
	United States		

\*Stores temporarily closed.

# GENERAL TREND

## BUOYANT SALES AND PARTICULARLY STRONG RESULTS IN 2022

The group's consolidated revenue amounted to €11,602 million in 2022, up 29% at current exchange rates and 23% at constant exchange rates compared to 2021. Recurring operating income amounted to €4,697 million, i.e. 40.5% of sales. Net profit (group share) reached €3,367 million, representing net profitability of 29%.

In the fourth quarter 2022, the great sales momentum recorded at the end of September continued, with sales reaching €2,991 million, an increase of 26% at current exchange rates and 23% at constant exchange rates.

Axel Dumas, Executive Chairman of Hermès, said:

*"In 2022, Hermès had an exceptional year thanks notably to the good performance of its international markets. This success reinforces our approach as an artisanal and highly integrated company, mainly in France: a design house that offers objects conceived to be functional, with an assertive style and uncompromising quality. The year underpins the relevance of our responsible and sustainable model."*

Over the last three years, Hermès created 4,300 jobs, including 2,900 in France, and reinforced its operating investments by €1.5 billion, including 60% in France.

## ACTIVITY BY REGION AT END DECEMBER

Data at constant exchange rates,  
unless otherwise indicated

At the end of December, sales growth was remarkable across geographical areas. Sales increased considerably both in group stores (+23% at constant exchange rates) and in wholesale activities (+26%), which benefited from the recovery in travel retail. Hermès continued to develop its exclusive distribution network, while online sales pursued their upward trend worldwide.

Asia excluding Japan (+22%) remained very dynamic throughout the geographical area. Sales performance in Greater China was sustained. In October, a fourth store opened in the Qiantan district in Shanghai, Mainland China, and Hermès inaugurated a store in Pangyo, in South Korea. Several stores reopened after renovation and extension work, such as the Hyundai Coex store in Seoul in December and the Hong Kong international airport store in November.

Japan (+20%) recorded a steady, sustained increase in sales. In November, the Takashimaya store in Nagoya reopened after renovation and extension in a new location, and the *Hermès in the Making* exhibition showcased the house's know-how in Kyoto.

The Americas (+32%) saw an exceptional year in 2022. After the April opening of a new store in Austin, a new Maison was inaugurated at 706 Madison Avenue in New York in September. This store offers clients an unprecedented experience of the creativity of Hermès and confirms the house's attachment to the sustainability of objects with a whole floor dedicated to repairs. In Mexico, the store in Guadalajara reopened in October after renovation.

Europe excluding France (+18%) recorded sustained growth, thanks to the loyalty of local clients and the resumption of tourist traffic. The Paseo de Gracia store in Barcelona was inaugurated in November, after being renovated and extended.

France (+27%) improved strongly, with an acceleration at year-end thanks to high demand from both national and international clients. The store in Strasbourg reopened in November, after renovation and extension, in a new location in the city's historical centre.

## ACTIVITY BY MÉTIER AT END DECEMBER

data at constant exchange rates,  
unless otherwise indicated

At the end of December 2022, all *métiers* confirmed their high levels of sales, with Ready-to-Wear and Accessories, Watches and Other Hermès *métiers* posting a remarkable increase, reflecting the huge desirability of the house.

The Leather Goods and Saddlery *métier* (+16%) performed particularly well, benefitting from very sustained demand and a favourable comparison basis in the fourth quarter. The growth in production capacities continued with five site projects. These new capacities will reinforce the nine centres of expertise located across the national territory, with their production units, workshops and training centres. In 2023, Hermès will open two new leather goods workshops: one in Louviers (Normandie) and the other one in la Sormonne (Ardennes). The projects for new workshops sites in Riom (Puy-de-Dôme), L'Isle-d'Espagnac (Charente) and Loupes (Gironde) are ongoing. Hermès continues to reinforce its local anchoring in France in regions with strong manufacturing know-how, while also developing employment and training.

The Ready-to-Wear and Accessories division (+36%) pursued its strong growth, thanks to the success of the ready-to-wear, fashion accessories and footwear collections. The men's and women's spring-summer 2023 collections, mixing casual, sophisticated, bold and light spirits, were respectively presented in June and October. Demand was also strong for fashion accessories and footwear, with models that express the abundance of the house's know-how.

The Silk and Textiles *métier* (+20%) achieved a splendid performance, supported by the growth in production capacities and the success of the collections, especially through the exploration of exceptional materials and artisanal know-how, such as hand-weaving and leather work.

The Perfume and Beauty *métier* (+15%) gained from the successful launches of new creations, such as *Terre d'Hermès Eau Givrée* and the *Eau de parfum H24*, and the Colognes with *Eau de basilic pourpre*. Two years after its creation, the Hermès Beauty business line continues its strong growth, thanks to the limited editions of *Rouge Hermès* and the launch of *Hermès Plein Air*, the new chapter for complexion.

The Watches *métier* (+46%) confirmed its outstanding performance, displaying singular creativity and unique style nurtured by all the other *métiers* of the house, as well as exceptional watch-making know-how. In November 2022, the *Arceau, Le temps voyageur* watch won two awards at the Grand Prix d'Horlogerie de Genève (Geneva Watchmaking Grand Prix). The new *Hermès H08* men's watch confirmed its success, alongside the house's classic models.

The Other Hermès *métiers* (+30%), which include Jewellery and Homeware, continued on their upward trend, highlighting the full creative strength and singularity of the house. The seventh high jewellery collection, called *Les Jeux de l'ombre*, was presented in Paris in July and in New York in autumn.

## PARTICULARLY STRONG RESULTS

Recurring operating income increased by 33% to €4,697 million compared to €3,530 million in 2021. Thanks to the leverage effect generated by the strong sales growth and the exceptional performance of the collections, annual recurring operating profitability reached its highest level ever at 40.5%, up from 39.3% in 2021.

Consolidated net profit (group share) amounted to €3,367 million (29% of sales), an increase of 38% from €2,445 million in 2021.

Operational investments represented €518 million and adjusted free cash flow reached €3,405 million.

After distribution of the ordinary dividend (€837 million) and inclusion of share redemptions (€116 million for 104,269 shares outside the liquidity contract), the restated net cash position increased by €2,672 million to €9,742 million compared to €7,070 million as at 31<sup>st</sup> December 2021.

## A SUSTAINABLE AND RESPONSIBLE MODEL

The group pursued its dynamic recruitment, adding some 2,100 new hires to the workforce this year. At the end of December 2022, the group employed 19,700 people, including 12,400 in France. True to its commitment as a responsible employer and in recognition of the employees' contribution to the performance and success of the group, Hermès paid an exceptional bonus of €4,000 in 2023, to all the employees worldwide.

Hermès strengthened its commitments in the fields of education and knowledge transmission with the launch of the *École des artisans de la vente* in April and the rollout of the *École Hermès des savoir-faire*, opening a new Apprentice Training Centre at the Ardennes regional hub of expertise. The group has made another five-year commitment in an amount of €61 million for the actions of the *Fondation d'Entreprise Hermès*.

In line with the house's commitments for the fight against climate change, Hermès pursued its actions in line with the emissions reduction targets validated by the Science Based Targets initiative (SBTi). Hermès aims to reduce emissions by 50.4% on scope 1 & 2 in absolute value and by 58.1% in intensity on scope 3, over the 2018-2030 period. The house already offsets 100% of scope 1 & 2 emissions, and most of transport-related emissions, thanks to high environmental and societal value programmes. Regarding the protection of biodiversity and resources, the house also introduced a demanding responsible construction standard that integrates sustainability issues across the life cycle of real-estate projects. It was certified in November 2022 by an independent third party, as being more demanding than the main global standards.

In 2022, Hermès again saw an improvement in non-financial ratings reflecting the strength of the CSR commitments and the reinforced transparency. MSCI published a greatly improved "AA" rating (versus BBB in 2020 and then A in 2021). Sustainalytics ranked the house as the best company in Textiles and Clothing (number 1 out of 191 companies) and in the Luxury Goods sector (number 1 out of 102 companies), with the highest "Negligible Risk" classification. Moody's ESG Solutions ranked Hermès in 5<sup>th</sup> position in the Luxury Goods and Cosmetics sector, thus consolidating the group's position in the CAC 40 ESG index. Finally, Hermès joined the CDP's A-list, making the house one of the world's 330 top-performing companies in environmental matters.

## PROPOSED DIVIDEND

At the General Meeting on 20<sup>th</sup> April 2023, a dividend proposal of €13.00 per share will be made.

The interim dividend of €3.50, paid on 22<sup>nd</sup> February 2023, will be deducted from the dividend approved by the General Meeting.

## OUTLOOK

In the medium term, despite the economic, geopolitical and monetary uncertainties around the world, the group confirms an ambitious goal for revenue growth at constant exchange rates.

The group has moved into 2023 with confidence, thanks to the highly integrated artisanal model, the balanced distribution network, the creativity of collections and the loyalty of clients. Thanks to its unique business model, Hermès is pursuing its long-term development strategy based on creativity, maintaining control over know-how and singular communication.

Inspiration of the creation at Hermès, *Astonishment* is the theme of the year. The ability to be surprised is a constant source of innovation and dynamism for the house, which will continue to accompany clients with enthusiasm and creativity across 2023.

# KEY FIGURES

## KEY CONSOLIDATED

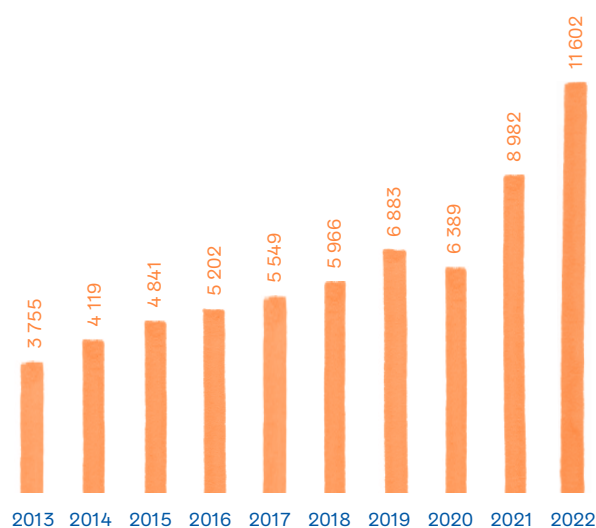
DATA IN €m	2022	2021	2020
REVENUE	11,602	8,982	6,389
Growth at current rates vs. y-1	29.2%	40.6%	-7.2%
Growth at constant rates vs y-1 <sup>1</sup>	23.4%	41.8%	-6.0%
RECURRING OPERATING INCOME <sup>2</sup> as a % of revenue	4,697 40.5%	3,530 39.3%	1,981 31.0%
NET INCOME ATTRIBUTABLE TO OWNERS OF THE PARENT as a % of revenue	3,367 29.0%	2,445 27.2%	1,385 21.7%
OPERATING CASH FLOWS	4,111	3,060	1,993
ADJUSTED OPERATING CASH FLOW <sup>3</sup>	3,405	2,661	995
OPERATING INVESTMENTS	518	532	448
SHAREHOLDERS' EQUITY	12,440	9,400	7,380
RESTATED NET CASH <sup>4</sup>	9,742	7,070	4,904

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.

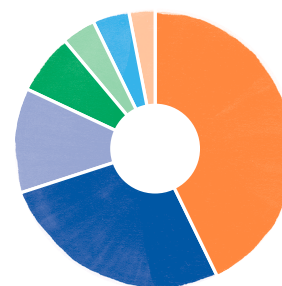


Consolidated revenue  
in €m



Recurring operating income  
as a percentage of revenue

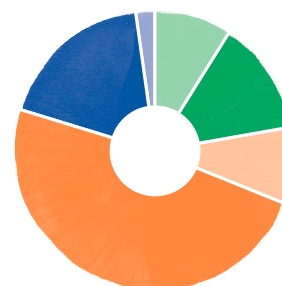
<u>REVENUE BY MÉTIER AND CHANGE 2022/2021</u>	2022 Revenue in €m	2021 Revenue in €m	EVOLUTION at constant exchange rates
LEATHER GOODS AND SADDLERY	4,963	4,091	15.6%
CLOTHING AND ACCESSORIES	3,152	2,219	35.8%
SILK AND TEXTILES	842	669	20.3%
OTHER HERMÈS MÉTIERS	1,371	1,001	29.6%
PERFUMES AND BEAUTY	448	385	15.0%
WATCHES	519	337	45.9%
OTHER PRODUCTS	306	279	7.6%
<b>TOTAL</b>	<b>11,602</b>	<b>8,982</b>	<b>23.4%</b>



#### Revenue by métier

Leather goods and Saddlery 43%  
Clothing and Accessories 27%  
Other Hermès métiers 12%  
Silk and Textiles 7%  
Perfumes and Beauty 4%  
Watches 4%  
Other products 3%

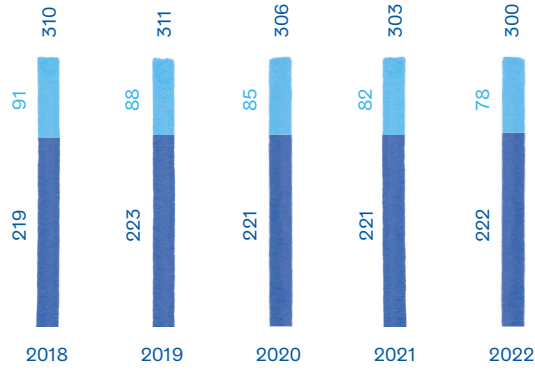
<u>REVENUE BY REGION AND CHANGE 2022/2021</u>	2022 Revenue in €m	2021 Revenue in €m	EVOLUTION at constant exchange rates
EUROPE	2,600	2,141	21.8%
France	1,064	838	26.9%
Europe (excluding France)	1,536	1,303	18.4%
ASIA-PACIFIC	6,657	5,227	21.5%
Japan	1,101	977	19.7%
Asia-Pacific (excluding Japan)	5,556	4,251	21.9%
AMERICAS	2,138	1,458	31.6%
OTHERS	207	156	31.5%
<b>TOTAL</b>	<b>11,602</b>	<b>8,982</b>	<b>23.4%</b>



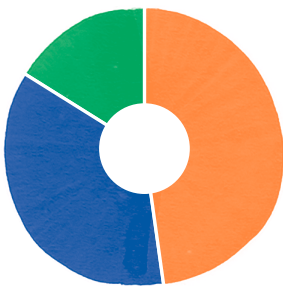
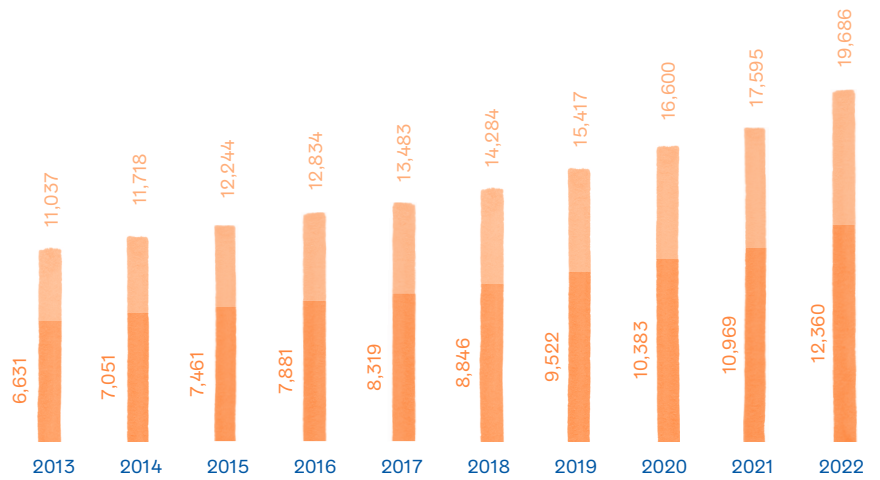
#### Revenue by region

Asia-Pacific (excluding Japan) 48%  
Americas 18%  
Europe (excluding France) 13%  
Japan 10%  
France 9%  
Others 2%

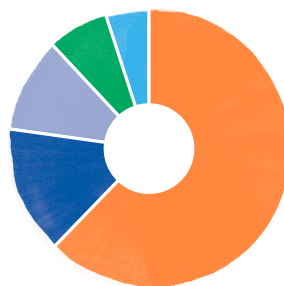
Number of exclusive retail outlets  
 Branches  
 Concessionnaires



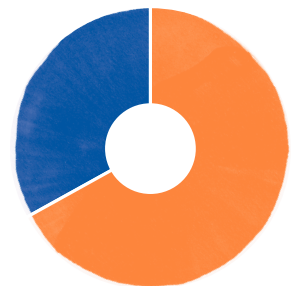
Evolution of the group's total workforce over the last ten years  
 France  
 Rest of world



Workforce breakdown by sector  
 Production 48%  
 Sales 36%  
 Support functions 16%



Workforce breakdown by region  
 France 63%  
 Asia-Pacific (excluding Japan) 15%  
 Europe (excluding France) 11%  
 Americas 7%  
 Japan 5%



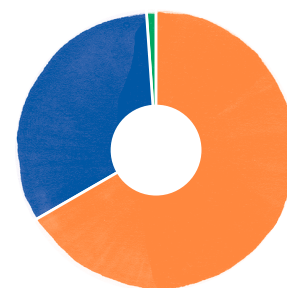
Female-Male ratio  
 Female 67%  
 Male 33%



KEY STOCK MARKET DATA	2022	2021	2020
NUMBER OF SHARES AS AT 31 DECEMBER	105,569,412	105,569,412	105,569,412
AVERAGE NUMBER OF SHARES (excluding treasury shares)	104,564,729	104,623,330	104,430,772
MARKET CAPITALISATION AS AT 31 DECEMBER	€153bn	€162bn	€93bn
NET EARNINGS PER SHARE (excluding treasury shares)	€32.20	€23.37	€13.27
DIVIDEND PER SHARE	€13.00 <sup>1</sup>	€8.00	€4.55
AVERAGE DAILY VOLUME (Euronext)	€77,527	€55,257	€66,151
12-MONTH HIGH SHARE PRICE	€1,586	€1,678	€890
12-MONTH LOW SHARE PRICE	€958	€839	€516
12-MONTH AVERAGE SHARE PRICE	€1,264	€1,191	€729
SHARE PRICE AS AT 31 DECEMBER	€1,445	€1,536	€880

1. Subject to approval by the Ordinary General Meeting of 20<sup>th</sup> April 2023. An interim dividend of €3.50 was paid on 22<sup>nd</sup> February 2023.

Hermès share price history in 2022  
(in euros)



**Shareholding structure  
at 31 December 2022**  
Hermès family-owned  
group 66.7%  
Public 32.3%  
Treasury stock 1%

**PARTNERSHIPS**

**€5.2 M**

purchases from socially supported organisations

**LOCAL SUPPLIERS**

**67%**

of purchases come from France (Top 50)

**DURABILITY**

**202,000**

repairs in workshops

**CLIMATE**

**1.5°C**

carbon trajectory commitment validated by SBTi

**TRANSPARENCY AWARDS**

**#1**

SBF 120, all categories

**LOCAL ANCHORING**

**76%**

of objects are made in France

**LONG-TERM RELATIONSHIPS**

**19 YEARS**

average age of supplier relationships (Top 50)

**GENDER EQUALITY**

**60%**

women managers group

**ENERGY TRANSITION**

**100%**

green electricity in France

**RESPONSIBLE EMPLOYER**

**2,100**

jobs created

**SOCIAL RESPONSIBILITY**

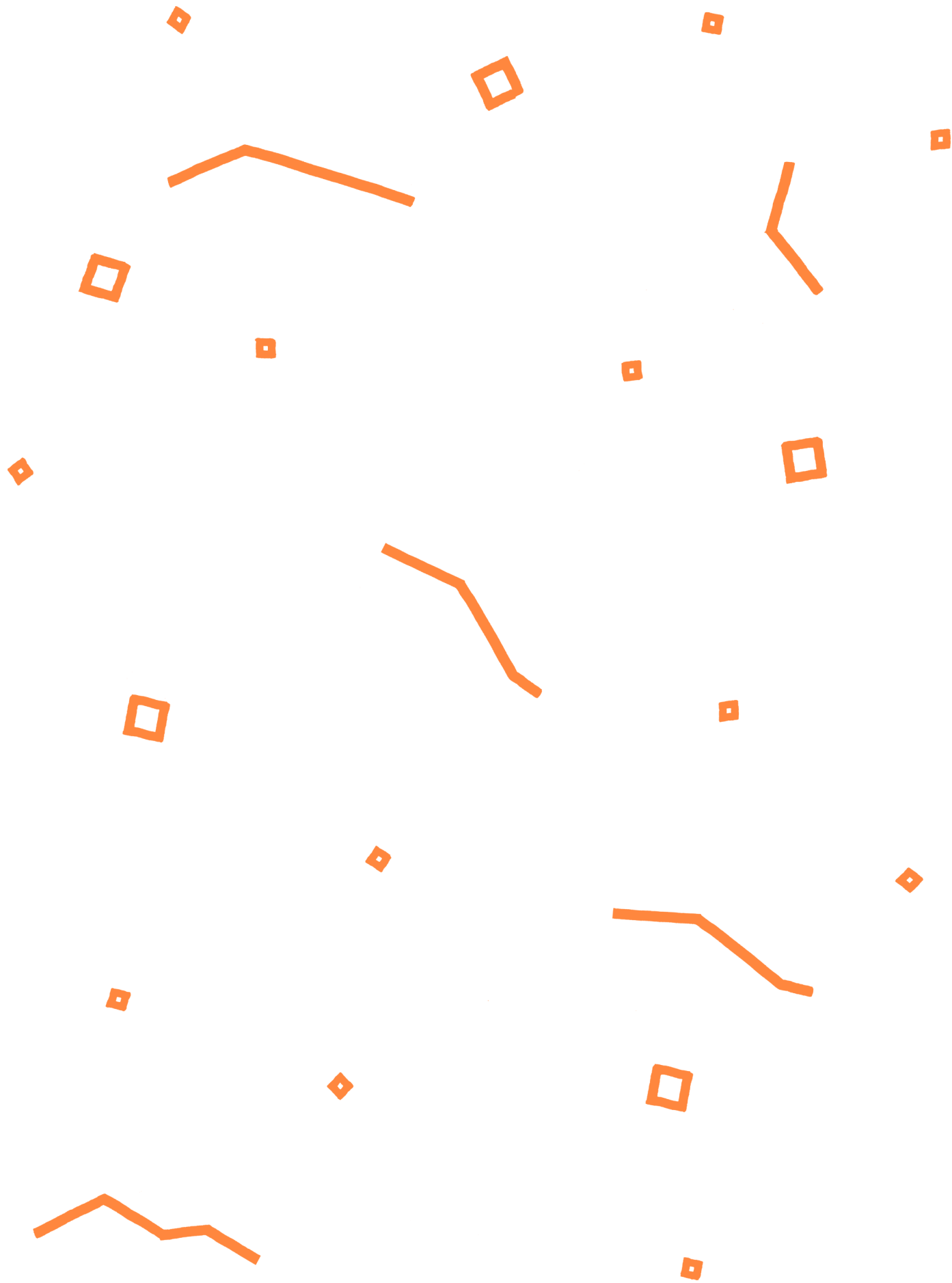
**€61 M**

budget allocated to the Fondation d'entreprise Hermès

**DIVERSITY & INCLUSION**

**6.4%**

direct disability employment rate in France



# SUSTAINABLE AND RESPONSIBLE DEVELOPMENT

## CORPORATE CITIZENSHIP

- Around 2,100 jobs created in 2022, including nearly 1,400 in France
- 76% of objects are manufactured in France
- Nearly 400 social and charitable actions around the world
- Continuation of the Fondation d'entreprise Hermès programmes (€40 million in 2018-2022)
- 8 Living Heritage Companies (Entreprises du Patrimoine Vivant)

## A RESPONSIBLE SOCIAL STAKEHOLDER

- 10% of the executive chairmen's variable remuneration is subject to meeting CSR criteria
- Hermès contributes to 16 of the UN's 17 sustainable development goals
- Over 11,000 employees are shareholders or hold rights to free shares, i.e. 56% of the workforce at 31<sup>st</sup> December 2022
- Exceptional bonuses: €4,000 paid in 2023 for 2022, and €3,000 paid in 2022 for 2021, worldwide

## EQUALITY AND DIVERSITY

- Gender equality: in 2022, the house's equal pay index is 95/100 vs 90/100 in 2021
- 67% of operations committees and 40% of the executive committee are women
- The direct disability employment rate in France is 6.4% (2021 figure) vs 5.7% (2020 figure)
- €5.2 million in purchases made from companies in the adapted or assisted sector

## TRAINING AND TRANSMISSION OF KNOW-HOW

- 76% of the workforce underwent training, for an average of 22 hours of training per employee
- 241 learners who joined the CAP leatherworking course graduated from the École Hermès des savoir-faire (in-house apprenticeship training centre)
- 13 partnerships with leatherworking schools in France and one in-house school, the École Hermès des savoir-faire. Objective: 600 in-house graduates in 2023 and 650 in 2024
- 21 Meilleurs Ouvriers de France (French craftsmanship award-winners)

## ENERGY CONTROL AND CARBON FOOTPRINT

- Objectives for reducing scope 1, 2 and 3 emissions endorsed by the Science Based Targets initiative (SBTi)
- 28.4% decrease in scope 1 & 2 GHG emissions since 2018 (in absolute value) and -46.5% in intensity for scope 3
- 100% of electricity used in France is renewable
- 89.1% of electricity used group-wide is from renewable sources and 55.4% of all energy used is renewable
- 60% decrease in water consumption intensity over 10 years and 17% compared to 2020
- 62.4% decrease in industrial energy intensity over 10 years and a 32% drop in electricity intensity in stores since 2018
- Real estate: creation and certification by an independent third party of a demanding responsible construction standard; 100% of projects launched in 2022 comply with the standard

## BIODIVERSITY

- Formal commitments under the Act4Nature International strategy
- Collaboration with NGOs: contribution to the development of environmentally friendly sectors (International Crocodilian Farmers Association, Southeast Asian Reptile Conservation Alliance, South African Ostrich Business Chamber, Leather Working Group, etc.)
- The biodiversity footprint across 92% (by value) of the group's activities is measured using the GBS tool in partnership with WWF France and CDC Biodiversité
- Over 75,000 hectares restored and more than 148 million trees planted by Livelihoods

## DURABILITY OF OBJECTS AND RECYCLING

- 202,000 objects repaired in 2022 (vs. 161,000 in 2021)
- 0% of objects destroyed in France since 1<sup>st</sup> January 2023, an objective to be extended worldwide by 2030
- More than 2 million products developed with a circular approach in 2022
- Hermès is RJC COP-certified, the gold and silver used in the jewellery workshops is 100% non-mined
- 100% of orange boxes and bags are made of sustainable, recyclable and/or recycled materials
- 41% of the group's industrial waste is converted (recycled, reused, converted to energy)

## Rating indexes, scores (December 2022)

- MSCI: AA rating
- Sustainalytics: 9.2 (no. 1 in the textile and clothing sector and no. 1 in the luxury industry)
- CDP A-list: A- for climate, A for water
- Vigeo-Eiris: 65/100 Advanced. Hermès is included in the CAC 40 ESG index
- Global Compact: advanced level
- ESG ISS: C+ Prime rating
- The Transparency Award, all categories
- Top ranking for female representation in senior management in SBF 120 companies

## Labels and certifications

- Responsible Jewellery Council
- 100% of the cardboard used for orange boxes is FSC certified
- Ongoing processes for certification/quality labels for 44 subsidiaries by 2024
- 66% of the group's leather suppliers are LWG-certified, ostrich sector 100% SAOBC-certified

## Initiatives and coalitions

- Act4Nature International
- Fashion Industry Charter for Climate Action
- International Crocodilian Farmers Association (ICFA)
- Leather Working Group
- Science Based Targets Initiative (SBTi)
- Taskforce on Climate-related Financial Disclosures (TCFD)

# COMBINING RESPONSIBILITY WITH CREATIVITY

Prolific creativity, a distinctive style and exceptional materials showcased by remarkable know-how boosted performance in 2022. Driven by the pursuit of excellence, Hermès enters 2023 with confidence, while staying true to its values. As a responsible company, it attaches high importance to the men and women who are stakeholders in its artisanal model. This is manifested by a strong commitment to job creation and regional regeneration, and by supporting the responsible use of resources.

In 2022, Hermès intensified recruitment, creating 2,100 new jobs, of which 1,400 are in France, bringing the total number of employees to 19,700. The group will therefore surpass the milestone of 20,000 employees in 2023. With the same momentum, the company is continuing strategic investments to increase the production capacity of its nine expertise hubs comprised of manufactures, workshops, and training centres, opening two new sites in 2023: the Manufacture de Louviers (Eure) in April, and the Manufacture de la Sormonne (Ardennes) in May.

The École Hermès des savoir-faire (Hermès apprenticeship training centre) continues to develop within this manufacturing network in order to perpetuate the transmission of exceptional skills and techniques to new generations of artisans. Amongst the major events of 2023, the thirteenth *Saut Hermès* took place in March at the Grand Palais Éphémère for the second year running. The *Hermès in the Making* festival of know-how will continue its world tour, and the fifth chapter of *Hermès Beauty* will be unveiled in the autumn.

Created in 2008, the *Fondation d'entreprise Hermès* will commit to its fourth five-year mandate (2023-2027) to pursue its efforts to promote creativity, transmission, the protection of biodiversity and solidarity.

With respect to societal and environmental governance, Hermès will continue to drive ambitions consistent with its commitment to keeping global warming under 1.5°C, approved by the Science Based Targets initiative (SBTi). Implementing decarbonisation plans for all the *métiers* is in line with this objective, while applying a demanding baseline for the responsible construction of new buildings will help to significantly reduce the greenhouse gases generated by construction sites. Lastly, Hermès will continue internal audits regarding the preservation of biodiversity, with a view to assessing 75% of leather workshops and 100% of industrial sites by the end of 2024.

Hermès is delighted to welcome an ever-growing number of customers, thanks notably to its digital platform, which, by expanding the range of services offered to the public, has performed strongly. The geographical balance of the omnichannel and exclusive distribution network will allow the house to strengthen its connection with loyal local communities, while reaching out to new customers.

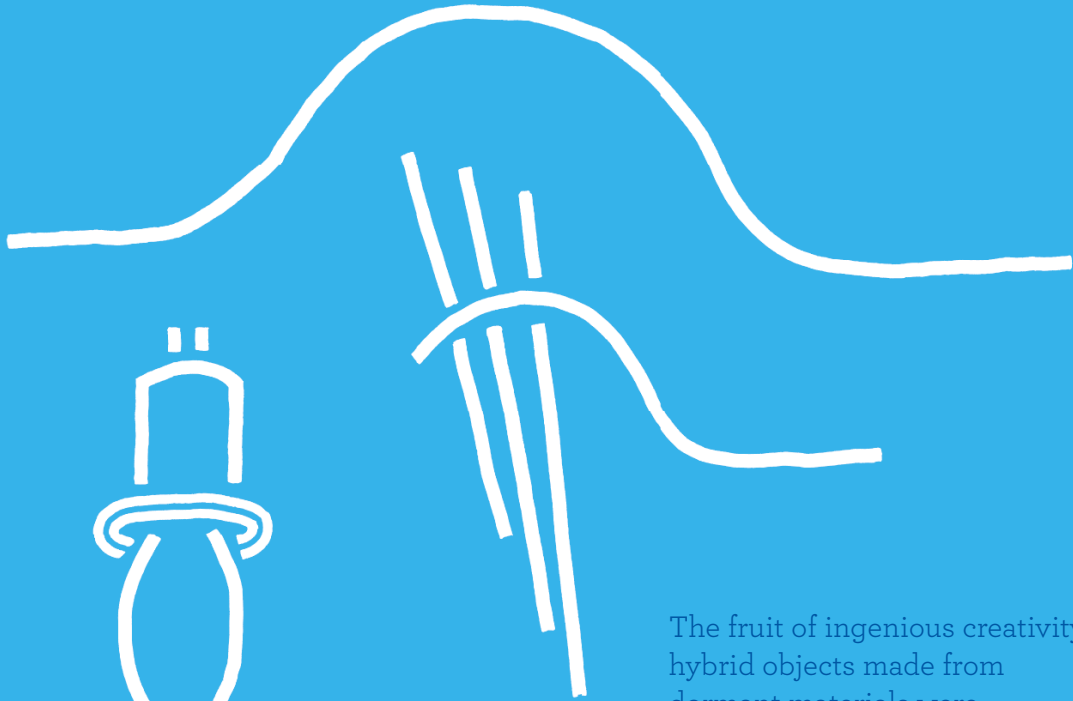
Lastly, the network of Hermès stores will continue to grow with new locations worldwide, such as Naples and Los Angeles (United States) or Tianjin and Chengdu (China). Other stores will reopen after transformation, including the stores in Hamburg (Germany) and Bordeaux (France) as well as two locations in China: the Peninsula in Beijing and the Deji Plaza mall in Nanjing.

An opera performed by bags, a miniature circus, and a flight of migrating gloves set the tone for **La Fabrique de la légèreté** (*On the Wings of Hermès*), a poetic, cinematic show in seven acts devoted to the 2022 annual theme.



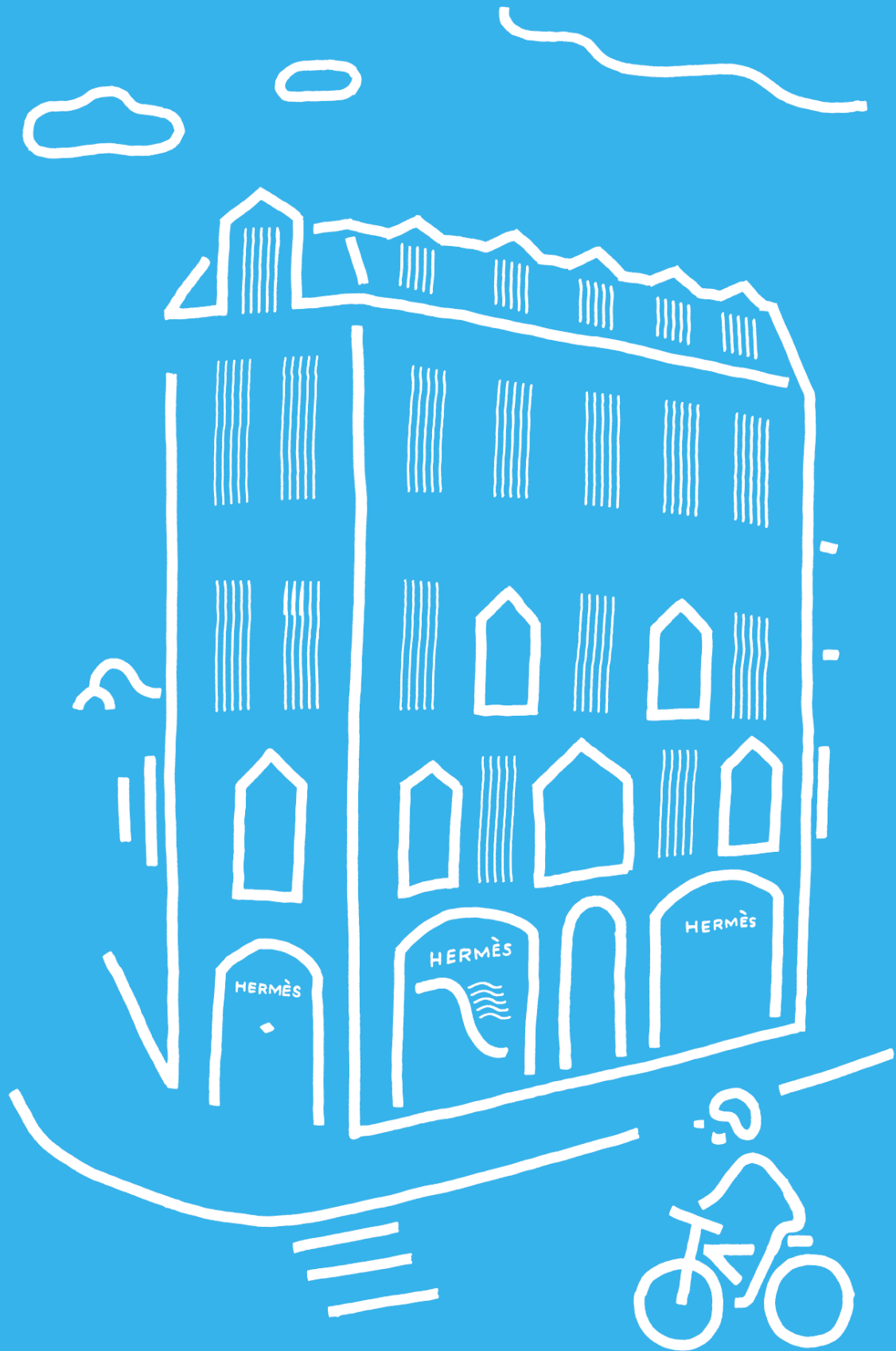






The fruit of ingenious creativity, hybrid objects made from dormant materials were unveiled at each of **petit h**'s stopovers: in Dubai (UAE) and Bangkok (Thailand).





With a nod to its equestrian roots, Hermès has opened an immense store in **Strasbourg** (France) in place Broglie, formerly the horse market.

After the French CAP professional qualification in leatherworking, the **École Hermès des savoir-faire** (Hermès apprenticeship training centre) is now authorised to deliver French CQP vocational diplomas in cutting and stitching.





Using a new complication in fine watchmaking, the **Arceau, Le temps voyageur** watch won two awards at the Grand Prix d'Horlogerie de Genève (Switzerland).

Harmony and fluidity reign supreme in **Shanghai's** fourth Hermès store, in the Taikoo Li Qiantan mall, the twenty-seventh store in mainland China.





In France, more than 270 students learnt about permaculture as part of the **Manuterra** programme created by the Fondation d'entreprise Hermès to raise awareness of the living world.



At 706 Madison in New York (United States), the new **Maison Hermès**, with its rooftop garden, presents all sixteen *métiers* as well as a repair workshop for an all-new customer experience.

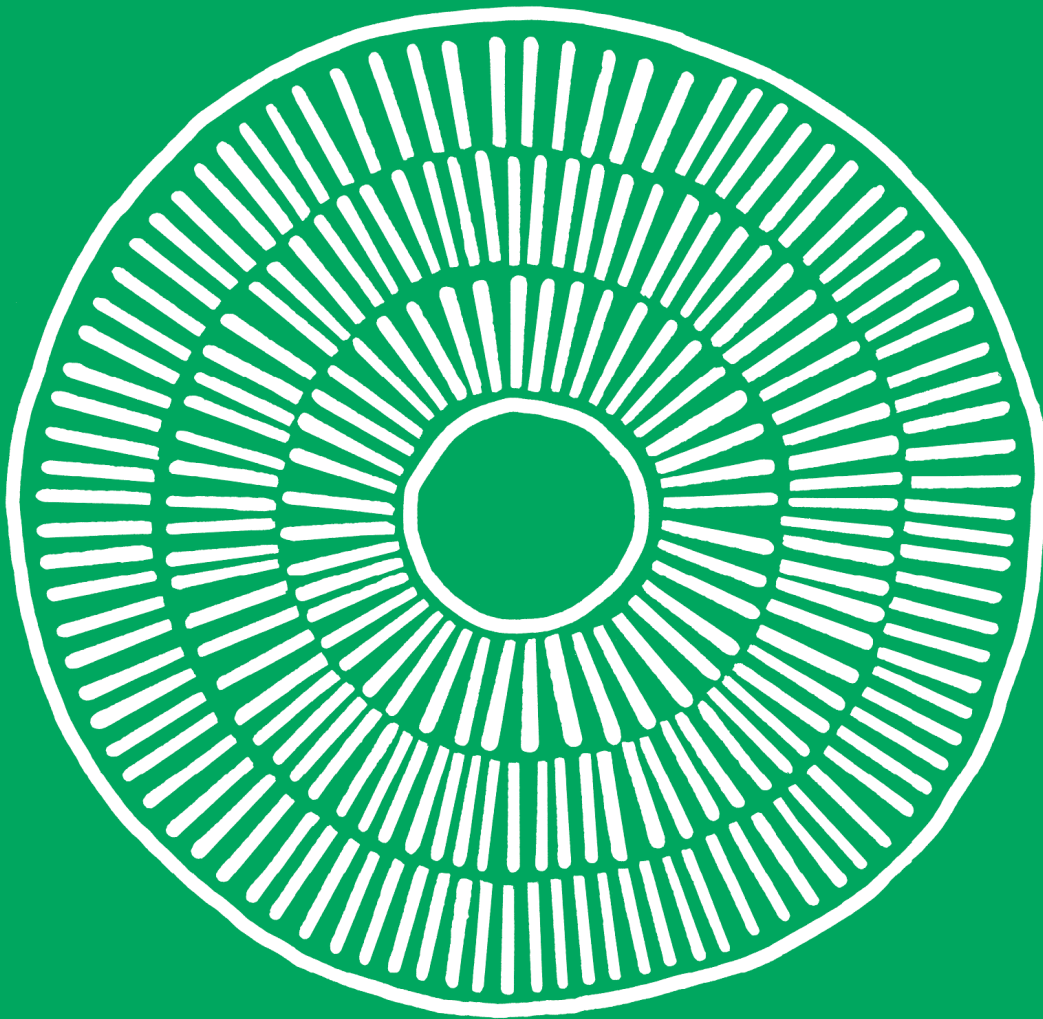




As a socially responsible employer, Hermès continued to recruit in 2022, with **2,100 new employees** joining the group, of which 1,400 were in France.



Echoing its inherent contrasts, the **Les Jeux de l'ombre** high jewellery collection was showcased through song, whispers and hip-hop at the Gaîté Lyrique in Paris (France).



Contrasting the whiteness of porcelain with deep yellow, the 24 pieces of the **Soleil d'Hermès** service illuminate the dinner table.

Using their exceptional skills, the house's artisans repaired more than **200,000 Hermès** objects in dedicated workshops worldwide.





Laying the foundation stone of the **Maroquinerie de Riom** (Puy-de-Dôme, France): ultimately creating 250 jobs, Hermès continues to pursue its strategy of regional integration.

The new store in Texas, Hermès' third in the state, is located in **Austin**, one of the United States' most dynamic cities, a blend of tradition and new technologies.





An elegant combination of citron, juniper berry and Timut pepper, **Terre d'Hermès Eau Givrée** expresses the intense freshness of earth covered with ice.

With zesty colours, supple lines and subtle details, the **men's summer 2023 ready-to-wear** collection was unveiled at the Manufacture des Gobelins in Paris (France).







With a wave motif in mosaic, generous sand-coloured spaces and verdant surroundings, the new Hermès store in **Barcelona** (Spain) draws inspiration from Catalan modernism.

Hermès continues its commitment to **inclusion** by attaining a disability employment rate in France of more than 6.4% of the workforce, which is higher than the legal requirement.





**Hermès Plein Air**, the fourth instalment of Hermès Beauty, deposits a veil of light on the complexion, revealing the radiance of beauty without artifice.

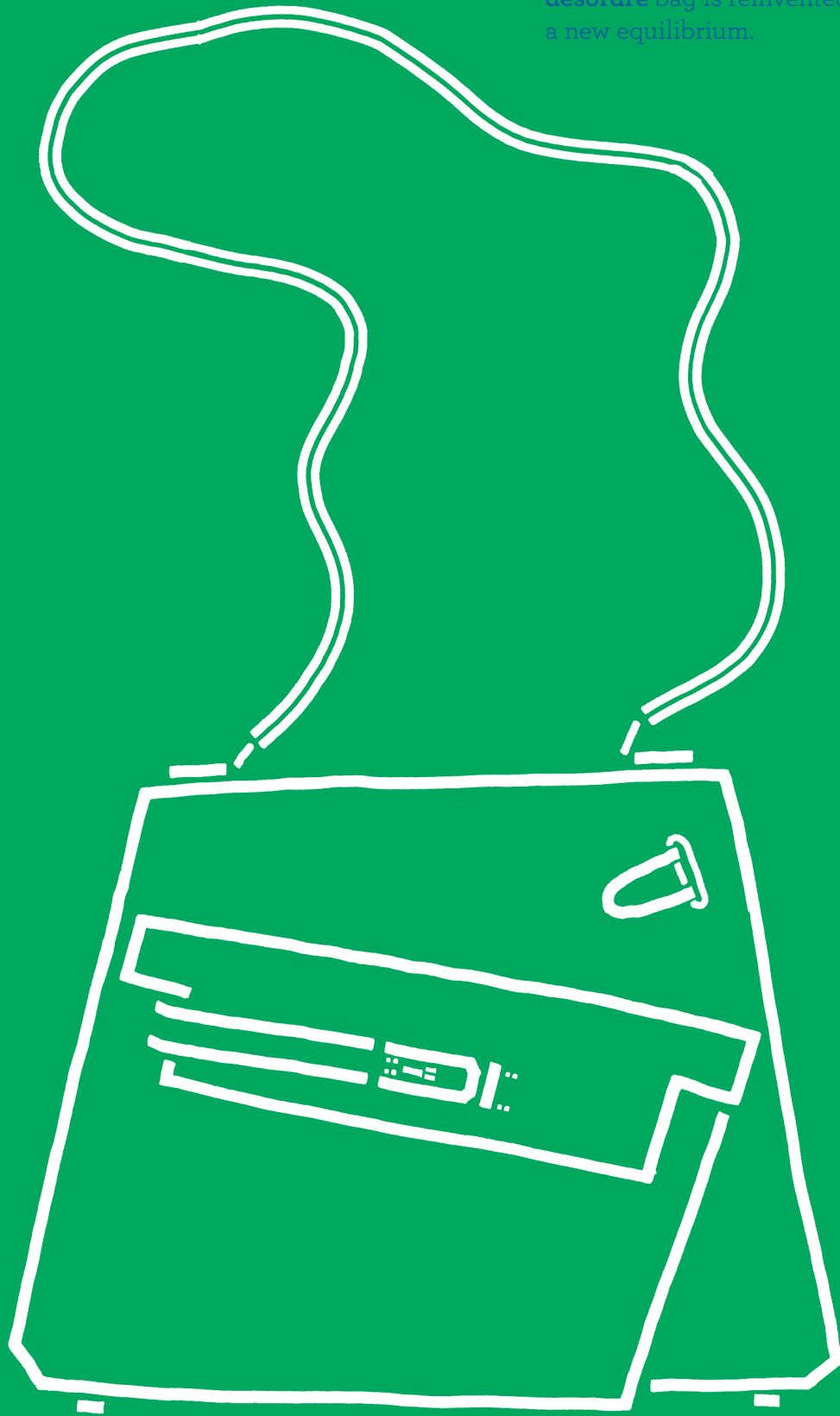
Over 75 riders and 130 horses came together for the twelfth **Saut Hermès** CSI 5\* international show-jumping event at the Grand Palais Éphémère in Paris (France).

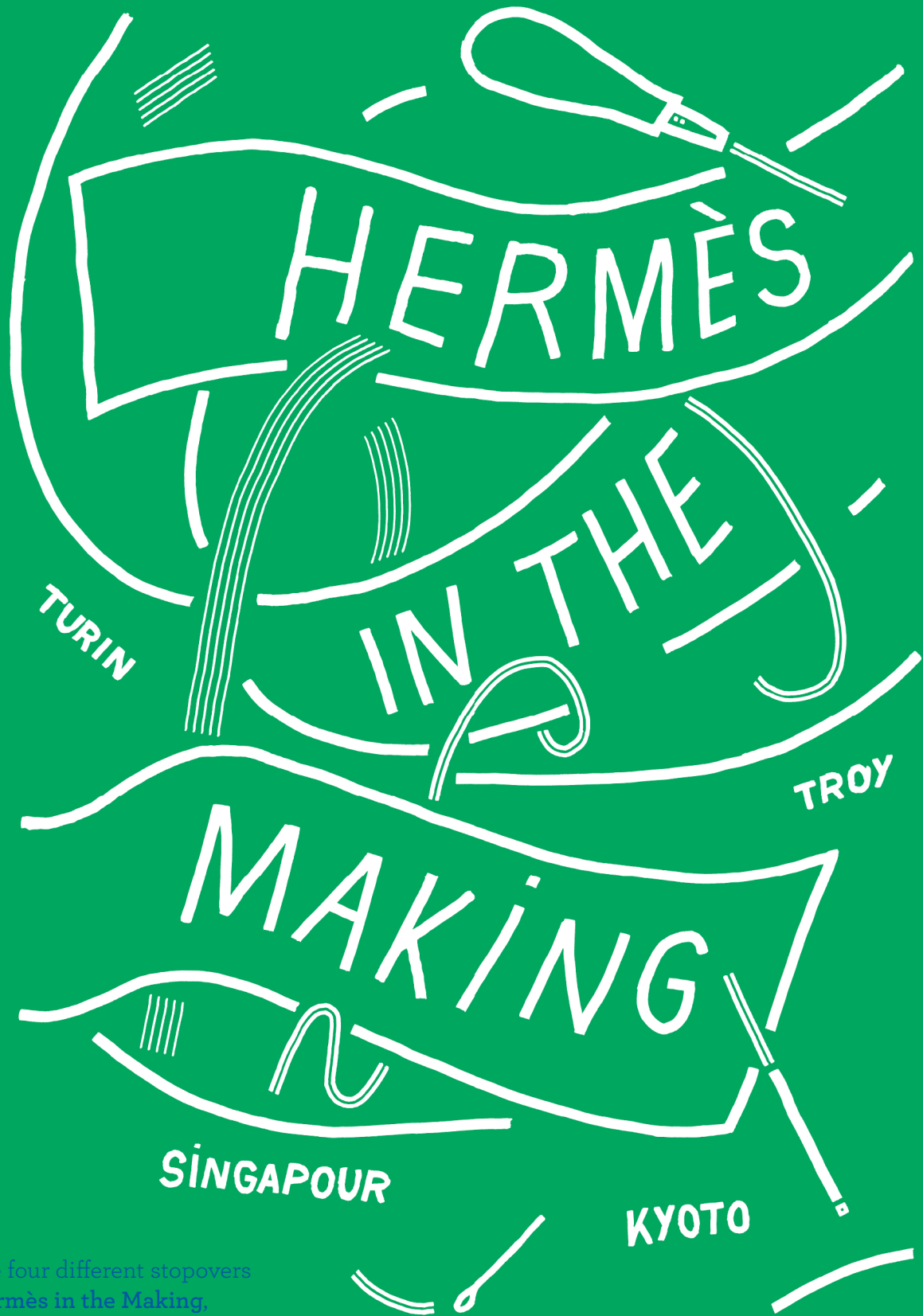




Cashmere, wicker, bamboo, parachute canvas: light materials and exquisite know-how were central to the collections for the home presented during **Milan Design Week** (Italy).

With its oblique structure, one side strap on each side, and no handle, the cleverly deconstructed **Kelly en désordre** bag is reinvented with a new equilibrium.





At the four different stopovers of **Hermès in the Making**, artisans shared their know-how with more than 70,000 visitors, in a spirit of fun that combined transmission with sustainability.

Illustrations  
Tobias Gutmann

Photography  
p. 5: Valérie Archeno  
p. 8: Mathieu Richer

Printed in France by  
Imprimerie des Hauts de Vilaine  
(an FSC, PEFC, Imprim'Vert  
certified company)

An Hermès publication  
© Hermès, Paris 2023

Hermès International  
Partnership limited by shares with  
share capital of 53,840,400.12 euros  
Commercial and Companies  
register of Paris no. 572 076 396

Headquarters:  
24, rue du Faubourg Saint-Honoré  
75008 Paris  
+33 (0)1 40 17 44 37

ISBN 978-2-35102-0784



The digital version of this document is compliant with the PDF/UA (ISO 14289-1), WCAG 2.1 level AA and RGAA 4.1 accessibility standards with the exception of the colour criteria. Its design enables people with motor disabilities to browse through this PDF using keyboard commands. Accessible for people with visual impairments, it has been tagged in full, so that it can be transcribed vocally by screen readers using any computer support.

Accessible PDF powered by  DocAcess