



Hermès Animal Welfare Policy

November 2023 version

Table of contents

Executive summary.....	3
The Hermès approach	4
Our responsibility and commitment	4
Our strategy.....	4
Animal welfare governance	5
Animal Welfare Committee	5
Multi-stakeholder collaboration	5
Policy review.....	5
Animal welfare principles	7
What is animal welfare?	7
Respecting animal sentience	7
Adopting the concept of One Welfare.....	7
Respecting the Five Freedoms.....	7
Animal welfare performance	10
Animal welfare outcome measures	10
Evidence-based animal welfare	10
Hermès general animal welfare policies	11
Commitment by supply chain partners.....	11
Meeting regulatory requirements	11
Promotion of land stewardship and biodiversity	11
Competencies of breeders and breeding staff	11
Biosecurity and the responsible use of veterinary medicines.....	11
Application of genetic engineering and cloning.....	12
Use of pain relief.....	12
Low stress handling methods	12
Humane slaughter and euthanasia	12
Hermès recognition of existing animal welfare schemes.....	13

Executive summary

The World Organisation for Animal Health (WOAH) recognises the production of animals for animal-based materials, such as leather and fibre, as a legitimate practice, however, it carries an associated ethical responsibility to ensure that acceptable animal welfare outcomes are achieved. To fulfil this responsibility, Hermès focuses on animal welfare, not only as an important entity in its own right, but also as part of an integrated vision of an ethical, social and environmental sustainable farming systems. This 'One Welfare' approach, which considers the important interconnections between animals, people, and the environment, is at the core of our animal welfare strategy.

Created in 2021 and published for the first time in January 2022, the Hermès Animal Welfare Policy includes an overview of animal welfare in the various Hermès supply chains, including the key animal welfare outcomes that must be achieved. The policy acknowledges animal sentience and the importance of avoiding unnecessary suffering, while providing opportunities for animals to have positive life experiences. It is deliberately ambitious and will be used as a tool to review our animal welfare priorities, manage animal welfare in our supply chains and track evolving societal attitudes towards animals. Hermès is committed to driving change in animal welfare by calling for suppliers to embrace the concept of continuous animal welfare improvement and to respect the group's commitments in this area. The approaches and decisions taken by Hermès are underpinned by science, data and practical on the ground experience. The development of the policy has involved supply chain partners, various stakeholders, external animal welfare scientists and non-governmental organisations (NGOs). Hermès also respects that people have different ethical positions regarding the use of animal-based materials.

Generally, animal welfare standards have been based on inputs, describing necessary resources, such as housing, space allowances and feed, and management practices such as veterinary care. However, it is essential to understand what effect these inputs are having on the welfare of the animals, that being the health, physical condition, and behaviour of the animals themselves. Assessing the animal welfare outcome is known as welfare outcome assessment and is key part of the Hermès approach. The timeless principles of the Five Freedoms (see pages 6 and 7) have been used to create a contemporary approach that is sufficiently practical for comparative international animal welfare outcome assessments.

Hermès stipulates that all suppliers implement good animal welfare practices, supported by a rigorous independent audit regimen. The Hermès Animal Welfare Policy is implemented through the demonstrated compliance with all applicable animal welfare laws; implementation of certification standards that are considered to be equivalent to the Hermès animal welfare requirements; and by first- and second-party audits and improvement plans, initiated by Hermès working directly with suppliers on farms and in abattoirs. Policy implementation is managed by a dedicated Animal Welfare Committee at group level, under the oversight of Hermès executive committee members. Our ambition is to ensure that all our policy commitments, unless stated otherwise, are followed by our entities, suppliers, partners and more broadly, our supply chains around the world. The Animal Welfare Committee will monitor this progress on a yearly basis.

The Hermès approach

Our responsibility and commitment

Animal welfare is embedded in the Hermès sourcing policy for all our animal-based materials. We aim to make meaningful improvements to animal welfare through a holistic approach, covering the whole of the supply chain and involving industry partners in each step. Hermès is committed to working with partners and other stakeholders to co-create animal welfare policies and associated standards that continuously improve animal welfare, support people and respect natural resources.

As part of its model of craftsmanship and sustainable value creation, Hermès is highly vertically integrated, with 55% of its products made in in-house, exclusive workshops. In addition, Hermès has a strong visibility of its supply chains, with a solid network of trusted manufacturers and suppliers. Within these supply chains, Hermès is committed to driving change in animal welfare by embedding improved practices. We understand that it is important to demonstrate transparency through a system of monitoring and public reporting on performance. We have therefore established an Animal Welfare Committee to bring together the supply chain partners, animal welfare specialists from the research community and members of global animal welfare NGOs, in a coordinated approach to drive and monitor progress in animal welfare.

Our strategy

Around the world, animals may be kept as working animals, companion animals and to provide food, fibres, and other animal products. The World Organisation for Animal Health (WOAH) recognises all these purposes as legitimate, while carrying an associated ethical responsibility to ensure any such use is humane. Some of the materials used by Hermès, such as leather and fibre, are products from animals; with the hides used to make leather goods mostly being a by-product of meat production. To meet our ethical responsibilities during the sourcing of animal-based materials, animal welfare is fully considered, not only as an important entity in its own right, but also as part of an integrated vision of an ethical, social and environmental sustainable farming systems.

The Animal Welfare Policy includes an overview of animal welfare in the Hermès supply chains and describes the key animal welfare outcomes that must be achieved. The animals covered by this policy include crocodylians, ostriches, lizards (where leather is a co-product), and cattle, calves, goats, sheep, deer, and pigs (where the leather is a by-product). When leather is a co-product, it represents a significant proportion of the total value of the products from the animal. In this situation, Hermès has a greater ability to influence the policies and practices relating to animal welfare within the supply chain. When leather is a by-product, meaning that the relative value of the hide is small compared with the other animal products (for example, meat), Hermès has less influence on policy and practices. In this context, we remain fully committed to working with other animal industries to initiate the changes required. Hermès also sources fibres (wool and hair) from camelids, sheep, goats, and horses; down from ducks and geese; and horn from buffalo. These animals are also included in the Animal Welfare Policy.

Animal welfare governance

Animal Welfare Committee

Animal welfare is a shared responsibility within Hermès, embedded in the roots and values of the company. It is managed by an Animal Welfare Committee whose aim is to bring operational reality to the company's animal welfare objectives and aspirations. The broad purpose of the committee is to discuss animal welfare policies, issues, and activities relevant to the various supply chains; identify sources of expertise, educational programmes and other animal welfare related activities, provide overall guidance related to animal welfare, identify areas for the development of additional animal welfare research activities, and influence, support and control the development and implementation of animal welfare standards. The permanent members of the committee include Hermès executive committee members, the purchasing department, the operational personnel, and an independent animal welfare advisor who has a Doctorate in Clinical Veterinary Science (specializing in Animal Welfare) from the University of Bristol. The committee also has regular input from several animal welfare NGOs, to ensure that external stakeholder views are considered and addressed. Finally, the Animal Welfare Committee monitors progress on a yearly basis.

Multi-stakeholder collaboration

Hermès consults with animal welfare research scientists, veterinarians and organisations that have animal welfare at the core of their function, during the development of animal welfare strategy, policies and standards. This provides an external perspective, helps to identify potential animal welfare risks and captures stakeholder concerns. The approach taken by Hermès is aligned with the framework of the intergovernmental organisation, the World Organisation for Animal Health (WOAH), along with leading animal welfare organisations, such as the Royal Society for the Prevention of Cruelty to Animals, UK (RSPCA UK). Hermès aim to align its requirements with external authentically higher welfare schemes that incorporate evidence-based standards (see Section "Evidence-based animal welfare"). Hermès contributes to international standard development processes and is an active contributor to the co-creation of international standards that promote good animal welfare.

External advisory and collaborative organisations have included:

- Royal Society for the Prevention of Cruelty to Animals (RSPCA UK)
- South African Ostrich Business Chamber (SAOBC)
- International Crocodilian Farmers Association (ICFA)
- Crocodile Specialist Group (IUCN-CSG)
- Southeast Asian Reptile Conservation Alliance (SARCA)
- Northeast Asian Environmental and Agriculture Research Centre
- AgroParisTech
- Cambridge Institute for Sustainability Leadership (CISL)
- Institut de l'élevage (idele)

Hermès monitors these organisations and the issues they deal with in order to be as close as possible to the expectations of these stakeholders.

Policy review

The Hermès Animal Welfare Policy is scheduled for annual review with external stakeholders to ensure that the latest scientific information is captured and new developments in animal welfare are implemented. The review process is undertaken with a genuine commitment to continually improve animal welfare. During development, the policy was reviewed by external organisations, including the RSPCA UK. In the context of the Animal Welfare Policy, Hermès

willingly welcomes and responds to this type of constructive appraisal, recognising that it contributes to future policy development and animal welfare improvement.

Animal welfare principles

What is animal welfare?

There are many definitions of animal welfare, but as a rule they all include two basic principles; that we provide for an animal's physical and mental wellbeing, and we provide animals with the opportunity to express important species-specific behaviours. The World Organisation for Animal Health (WOAH) defines animal welfare in the *WOAH Terrestrial Animal Health Code (2022)*:

"Animal welfare means the physical and mental state of an animal in relation to the conditions in which it lives and dies. An animal experiences good welfare if the animal is healthy, comfortable, well nourished, safe, is not suffering from unpleasant states such as pain, fear, and distress, and is able to express behaviours that are important for its physical and mental state. Good animal welfare requires disease prevention and appropriate veterinary care, shelter, management and nutrition, a stimulating and safe environment, humane handling, and humane slaughter or killing. While animal welfare refers to the state of the animal, the treatment that an animal receives is covered by other terms such as animal care, animal husbandry, and humane treatment."

Respecting animal sentience

Many animals are sentient beings, capable of feeling negative emotions such as stress and fear, as well as positive emotions such as pleasure and contentment. The Hermès approach to animal welfare recognises animal sentience and the importance of providing opportunities for animals to have positive life experiences.

Adopting the concept of One Welfare

From the concerns about conflicts between animal welfare, human wellbeing and environmental sustainability, the concept of 'One Welfare' emerged. The One welfare approach "recognises the interconnections between animal welfare, human wellbeing and the environment" and "fosters interdisciplinary collaboration to improve human and animal welfare internationally"¹. It is regarded as complementary to the 'One Health' approach, already adopted by the European Commission, which is tackling issues such as zoonotic disease², antimicrobial resistance, and food safety. 'One Welfare widens' the scope presented by 'One Health', by also considering the effects of climate change, ensuring the mental health of farmers, and managing wildlife in a way that supports their ecosystem. The Hermès approach embraces this interconnection between humans and animals and incorporates many of the facets of 'One Welfare' into its policy objectives. For example, by the responsible use and conservation of wildlife, reduction in the reliance on veterinary medicines by improving farming systems and providing support to farming communities.

Respecting the Five Freedoms

The Five Freedoms are globally recognised, highly influential, timeless principles of animal welfare. The concept of the Five Freedoms was first introduced by the Brambell Committee report (Brambell, 1965). They were subsequently revised by the Farm Animal Welfare Council (1993) (now the Animal Welfare Committee or AWC) to represent a set of key animal welfare outcomes and the provisions needed to achieve these outcomes (Webster, 2016). The Five Freedoms have been used to create an approach that is sufficiently practical for comparative international animal welfare outcome assessments.

¹ Source: <https://www.onewelfareworld.org/>

² A zoonosis is an infectious disease that has passed from animals to humans.

The Five Freedoms

Freedom from thirst, hunger, and malnutrition - By ready access to a diet to maintain full health and vigour.

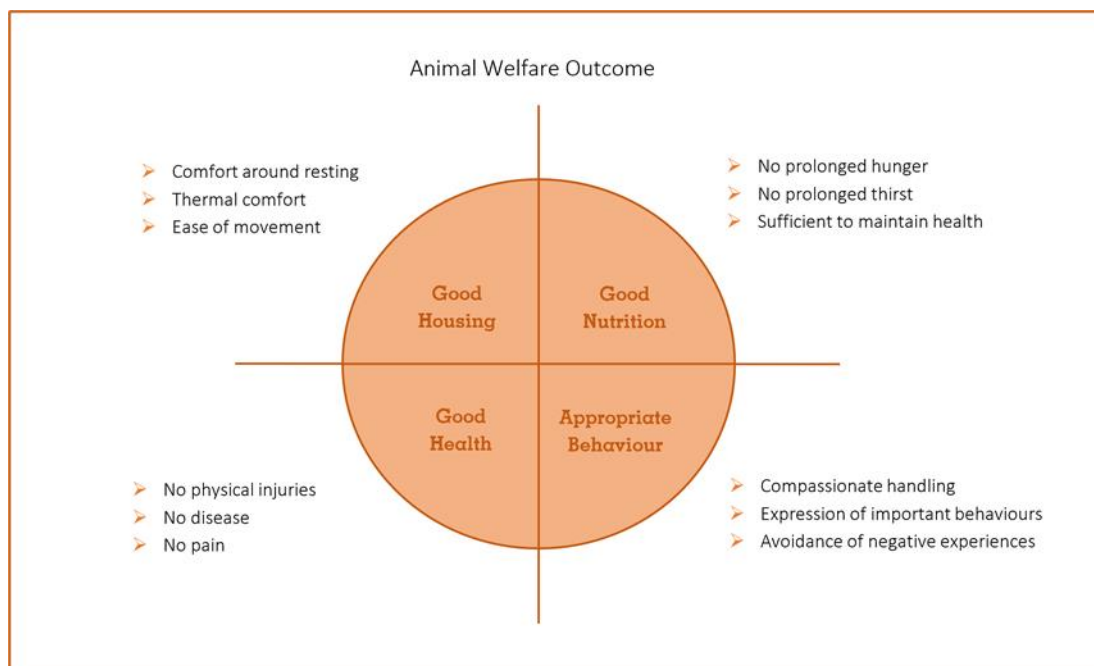
Freedom from thermal and physical discomfort - By providing a suitable environment.

Freedom from pain, injury, and disease - By prevention or rapid diagnosis and treatment.

Freedom to express normal behaviour - By providing sufficient space, proper facilities, and company of the animal's own kind.

Freedom from fear and distress - By ensuring conditions which avoid mental suffering.

The Five Freedoms form the basis for much of the animal welfare legislation, codes of recommendations and farm animal welfare schemes, and are the foundation of the Welfare Quality® assessment scheme (Blokhus *et al.*, 2010). The Welfare Quality® assessment scheme allocates the content of the Five Freedoms to four welfare principles: good housing, good feeding (nutrition), good health and appropriate behaviour. These principles are summarised in the following diagram and form the basis of the Hermès Animal Welfare Policy approach.



The principle of good housing is related to an animal's living conditions and the influence on comfort and movement. It is not necessarily the size of an enclosure that is important to the animal, but the spatial landscape and how it offers protection from physical and thermal discomfort, fear, and distress, and allows them to perform important behaviours. In addition to physical comfort, the living environment also needs to provide for thermal comfort. All homeothermic (warm-blooded) animals have a thermoneutral zone where the animal experiences a thermal environment that supports optimal health and productivity. It is important that the environment provided to animals maintains an appropriate thermal environment. For poikilothermic (cold-blooded) animals that rely on the environment to lose and

gain heat, for example crocodilians and lizards, the opportunity to select a different environment when ambient temperatures deviate from their preferred ranges is important.

The principle of good nutrition is related to an animal's ability to access a sufficient quantity and quality of feed and water, in order to maintain health and to prevent prolonged hunger, thirst, malnutrition or dehydration. The diet needs to meet the nutritional demands of animals at different stages of growth and development.

The principle of good health recognises that animal welfare is inextricably linked to animal health, with injury and illness being well-established causes of reduced welfare, related to feelings of pain and distress. There needs to be a preventative approach to disease, with responsible use of veterinary medicines and appropriate veterinary oversight. Animals must not suffer pain induced by inappropriate management, handling, or slaughter. Potentially painful procedures must only be undertaken with the use of pain relief.

The principle of appropriate behaviour focuses on the mental wellbeing of the animal. Animals must be handled compassionately, and handlers should work to achieve good human-animal relationships. Negative emotions such as fear, distress, frustration, or apathy should be avoided, whereas positive emotions such as security and contentment should be promoted, through the implementation of good animal handling practices, facilities, and equipment.

Animal welfare performance

Animal welfare performance is the process of achieving good animal welfare outcomes from the birth of the animal through to the end point of its life. The process of driving animal welfare improvement has three stages: 1) assessment of animal welfare 2) identification of risk factors that potentially lead to poor animal welfare outcomes and 3) introduction of interventions to mitigate or eliminate the risks, bringing about an improvement in animal welfare. Measuring animal welfare performance is achieved by embedding animal welfare outcome measures into animal welfare standards. Hermès recognises certification schemes that integrate animal welfare outcome assessment into their structure and use these measures to monitor and report on animal welfare performance in supply chains. The identification of performance indicators and performance monitoring is embedded in many of the higher animal welfare schemes. The identification of performance indicators and their monitoring are integrated into several of the most advanced animal welfare systems.

Animal welfare outcome measures

Animal welfare outcome measures are species-specific indicators of physical and mental wellbeing to demonstrate fulfilment of the animal welfare principles outlined in the previous section. For some species, scientific research has developed practical outcome measures that provide an animal-focused picture of animal welfare from the birth of the animal through to the endpoint of its life. For other species, such as reptiles, where animal welfare science is still emerging, Hermès is working with researchers to develop equivalent information. Relevant resource-based and management-based measures, such as environmental conditions and animal care, are also important. Collectively these measures reliably reflect an animal's welfare and help to identify the causes of poor welfare, enabling the formulation of improvements.

Evidence-based animal welfare

Improvements in animal welfare can only be achieved if policies and practices are based on scientific evidence, rather than perception about the physical and behavioural needs of animals. It is important that when making decisions impacting on animal welfare, we focus on the animals themselves; recognising that their physiology and behaviour may differ between species and from our experience as humans. Assigning animals human characteristics (anthropomorphism) can perpetuate the concept that animals have the same consciousness and emotional understanding that humans do, which can be misleading and sometimes detrimental for animal welfare. To successfully implement an evidence-based approach, Hermès gathers information from different sources and seeks the professional opinion of animal welfare specialists and organisations. The information used to inform Hermès animal welfare direction is primarily from published independent and peer reviewed scientific research. Hermès also funds research projects to make further progress in animal welfare science and obtain information around key animal welfare issues.

Hermès general animal welfare policies

The general animal welfare policies are relevant to all species of livestock and are implemented through: demonstrated compliance with all applicable animal welfare laws, implementation of certification standards that are equivalent to the Hermès animal welfare requirements, and by first- and second-party audits and improvement plans, initiated by Hermès working directly with suppliers.

Commitment by supply chain partners

Hermès aims to work with the best farmers and supply chain partners, who are required to follow local, regional and international animal welfare legislation, as well as fulfil the requirements presented by Hermès. We strive to work with supply chain partners who are committed to continuous improvement, embrace performance monitoring and take corrective action if animal welfare is compromised. Our aim is to ensure that all our policy commitments, unless stated otherwise, are followed by our entities, suppliers, partners and more broadly our supply chains around the world.

Meeting regulatory requirements

Any breeding, raising, transporting, handling, and slaughtering of animals must be undertaken in compliance with applicable local, regional, national, and international animal welfare laws and regulations, including those set by the World Organisation for Animal Health (WOAH). The global legal framework for animal welfare is evolving quickly, however often the scope and speed of this change is not sufficient to meet Hermès expectations. For this reason, Hermès has introduced animal welfare requirements beyond the regulatory baseline. The schemes and standards recognised by Hermès must acknowledge the sentience of animals and impose a positive duty of care on all people who care for them. The Universal Declaration on Animal Welfare (UDAW) is a proposed inter-governmental agreement to recognise that animals are sentient, to prevent cruelty and reduce suffering, and to promote standards on the welfare of animals. Hermès agrees in principle with the adoption of a Universal Declaration for the Welfare of Animals under international agreement through the United Nations.

Promotion of land stewardship and biodiversity

The schemes recognised by Hermès often include additional requirements covering the livelihood of farmers and farming communities, stewardship of the land and protection of biodiversity. Hermès supports the principles of regenerative agricultural practices, where good animal welfare is an integral component. Hermès is also committed to preserving ecosystems and combating deforestation throughout its supply chain (details of the Forests policy are available on the Hermès Finance website).

Competencies of breeders and breeding staff

The delivery of good animal welfare outcomes is dependent on compassionate animal care by competent people. Hermès understands the important connection between animal welfare and human wellbeing and helps people who work with animals improve their skills, by engaging scientists and industry experts to develop specific animal welfare training courses and extension material. Hermès requires that husbandry tasks which have a significant impact on animal welfare be performed by a veterinarian or a competent person. New technologies have a place in some livestock systems; however, they should not replace skilled and empathetic people.

Biosecurity and the responsible use of veterinary medicines

Hermès believes that good biosecurity, husbandry and health management must be practised to reduce the risk of disease. The animal welfare standards recognised by Hermès require a proactive approach to animal health to reduce the risk of disease outbreaks and the emergence of zoonotic pathogens. The routine preventative use of antimicrobial agents must also be avoided. Antimicrobial agents are veterinary medicines used to treat infectious diseases, particularly those of bacterial origin and are essential to protect human and animal health. In some farming systems they are used prophylactically to support animals kept under stressful conditions or to improve feed conversion rates,

which is contrary to good animal welfare. This type of excessive or inappropriate use can lead to the emergence of resistant bacteria which do not respond to antibiotic treatment. Hermès understands the potential risks to human healthcare related to the overuse of antibiotics in livestock supply chains and therefore, in the schemes recognised by Hermès, all antibiotics must be used carefully, under strict protocols and only for treating individual or groups of animals with diagnosed disease. Suppliers are also expected to follow the recommendations of the World Organisation for Animal Health (WOAH) with respect to antimicrobial use and implement farming systems that are not reliant on the routine use of antibiotics for disease prevention. Hormonal growth promoters are also sometimes used to specifically promote muscle growth or milk production in animals farmed for food, often putting excessive strain on their physiological capabilities. The use of hormonal growth promoters for the purpose of growth promotion is banned in the EU due to possible but unsubstantiated risks to human health. Hermès does not support the use of hormonal growth promoters and antibiotics used for the purpose of growth promotion and recognises animal welfare standards that maintain this position.

Application of genetic engineering and cloning

Hermès does not support the use of genetic engineering or cloning where this causes pain, injury, suffering or distress to animals. Hermès understands the potential benefits of genetic research which has been shown to improve animal welfare, for example where it has produced animals better able to withstand extreme climates but believe that other aspects of animal welfare should not be compromised in achieving them.

Use of pain relief

Some husbandry procedures can cause pain to the animal unless they are performed with effective pain relief both during and after the procedure has been undertaken. Hermès disallows the use of certain procedures that have known animal welfare consequences. If it is deemed necessary to use a potentially painful procedure, then Hermès requires the use of effective pain relief both during and after the procedure. Hermès also supports research to help identify how such procedures can be avoided and is working with suppliers to identify suitable alternatives.

Low stress handling methods

Hermès requires that all animals are handled using low stress techniques that take into account an animal's natural behaviour. When handling tools are used, they must not cause animals pain or distress.

Humane slaughter and euthanasia

For slaughter and euthanasia to be humane, it is essential to render an animal immediately unconscious to pain, discomfort and distress. Hermès requires that all abattoirs meet EU legislation or equivalent and all euthanasia performed on the farm is humane. It is a requirement under EU legislation that all animals are stunned (rendered unconscious) prior to slaughter, however, regulatory derogations allow a small proportion of animals to be slaughtered without stunning. Therefore, Hermès only recognises animal welfare schemes that require the use of stunning and are actively implementing systems of traceability to enable animals that have been slaughtered under derogation to be identified.

Hermès recognition of existing animal welfare schemes

To help suppliers meet our requirements, Hermès has introduced an approach that includes the implementation of existing third-party animal welfare schemes and standards. The animal welfare schemes recognised by Hermès fulfil the principles of a best practice framework, which all higher animal welfare schemes should embrace (Main *et al*, 2014) and many also adopt a One Welfare approach. The four principles of this framework state that good schemes should:

- incorporate a dynamic welfare management system to coordinate activities relating to continuous animal welfare improvement - *Standards should be clear, specific, and measurable and focus on the desired animal welfare outcome.*
- use progressive welfare standards - *Acknowledging that animals are sentient, capable of feeling pain and suffering, as well as joy and pleasure. Schemes should focus on reducing negative and increasing positive welfare towards a good life.*
- undertake assessments to determine whether good animal welfare is being achieved in practice – *Standards should be independently verified by a third party. A robust, transparent certification process is in place with ongoing monitoring, feedback, and improvement mechanism.*
- take an evidence-based, participatory, and transparent approach and embrace external scrutiny and involvement - *Standards should be based on contemporary scientific knowledge and reflect stakeholder expectations, both in their development and content.*

By following this framework, Hermès has extensively reviewed many national and international schemes to provide suppliers with a choice of schemes and standards that fulfil Hermès requirements for animal welfare. It was noted during the review that many of the schemes and standards had a limited geographical scope, while for some species, there was an absence of higher welfare schemes altogether. With this in mind, Hermès is working to facilitate the development of standards where they do not currently exist and is increasing oversight of these supply chains through first- and second-party audits, and supplier improvement plans.