



Hermès tax policy

April 2024

1) A socially responsible company, attentive to the harmonious sharing of the value created

Hermès is an independent and creative house since 1837. Its mission is to create unique and original objects, s to elegantly satisfy the needs and dreams of its customers. Its objective is the search for excellence and uncompromising quality, in each of its *métiers* and services.

Hermès has a role as a corporate citizen in the places where it operates, contributing to the economic, social and cultural vitality of these regions. This ambition is accompanied by a highly humanistic desire to give back to the world some of what it has been given. The group is attentive to harmonious sharing of added value in order to secure the Group's future development and contribute to social and societal balance.

Aware of its responsibility in terms of contribution to regional development, Hermès mainly locates its production activities in France. Hermès contributes to the sustainable development of the regions through employment and promotes the creation of sustainable value (recruitment in the local area, employee training, etc.).

2) Hermès is committed to deploying a responsible tax policy

Hermès is committed to :

- ensure compliance by all group companies with the regulations in force in the States where its companies are located;
- ensure compliance with the deadlines provided for by the regulations applicable in each State, for the filing of the required declarations and the payment of the taxes due;
- not to transfer the value created to low-tax jurisdictions;
- tax profits in the place where the income is generated;
- not resort to legal structure or transactions to meet a primarily tax-related objective;
- determine its transfer prices in accordance with the arm's length principle;
- fight against tax evasion with the absence of use of tax evasion schemes or structures without substance.

3) Tax governance

The tax strategy is implemented by the general finance department, which relies on internal (the tax department) and external skills in France and abroad. This strategy is reviewed and validated by the Executive Committee at least once a year.

The consolidated tax expense and rate are examined by the Audit and Risk Committee and the Supervisory Board during the presentation of the half-yearly and annual results.

This tax policy is approved by executive management.

4) Implementation of the tax strategy

Concerning taxes, the Group follows the recommendations of the CSR GRI 207 reporting standard.

The location of the Group's activities is based exclusively on operational choices, and tax considerations do not modify this approach. The location of production in France, which is a key element of the Group's strategy for sustainable development, thus impacts the amounts of taxes paid in the country as well as the Group's effective tax rate.

The Hermès Group's tax positions are tracked and audited by the consolidation and tax department, which reports directly to a member of the Executive Committee, one of whose objectives is to anticipate, identify, and manage, with the finance department, the tax issues.

The group provides regulatory oversight and defines its tax policy by relying on a team of tax specialists, assisted by external advisors if necessary. The Group is committed to complying with all laws and regulations in force in each of the countries where it operates. Since the beginning of 2023, it has relied for tax compliance on an IT tool for monitoring reporting obligations, tax payments and the application of tax ethics rules. This tool, which is rolled out in all Group subsidiaries, is managed centrally by the Tax Department.

The Group has a transparent and simple organisation. The Group's tax policy is not based on any tax optimisation or evasion scheme and complies with the principles laid down by the OECD. In the case of a dispute or differences in interpretation, the Group may have to challenge reassessments with the tax authorities and to seek redress using the means available to it for its defence.

Management of the financial risks associated with the evolution, complexity and interpretation of tax regulations in each of the countries where it operates is detailed in chapter 4 of the Universal Registration Document available on the Group's website: <https://finance.hermes.com>.

5) Reporting and transparency

Every year, the Group files, as part of its tax obligations, a statement of transfer prices and a country-by-country statement, the Cross-Border Currency Reporting (CBCR) with the French tax administration. The CBCR is created in accordance with the recommendations of the OECD (as interpreted in French tax law). It is subject to an exchange of information between the tax administrations of the countries in which the Group is established. In the countries in which the exchange of information is not operational, the Group has a CBCR programme with the local tax administration.