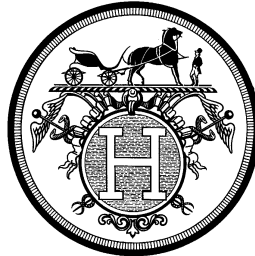


HERMES INTERNATIONAL
Société en Commandite par Actions (limited partnership with shares) with share capital of
€53,840,400.12
Paris Trade and Companies Register (RCS) no. 572 076 396
Registered Office: 24, rue du Faubourg Saint-Honoré 75008 PARIS



GENERAL MEETING OF 30 APRIL 2024

WRITTEN QUESTIONS

On the occasion of a General Meeting, written questions may be submitted to the Company under the conditions defined by law. In accordance with applicable legislation, the answer to a question is deemed given when it is published on the Company's website. Answers to written questions must be provided by the Executive Management.

The Executive Management has received thirteen written questions from three shareholders and provides answers below.

The management received a letter via email dated 8 March 2024 including several written questions intended for the 2024 General Meeting, from the *Forum pour l'Investissement Responsable* ("FIR").

Please find the responses of the Hermès group to the FIR's written questions hereinafter.

Environment

Question 1

- a) Could you reiterate your short-, medium- and long-term decarbonisation objectives for each of your three scopes (in absolute value and in intensity)? For each of your objectives, please explain the main initiatives planned to meet each one (including the percentage contribution of each initiative to each objective). What proportion of your strategy is dedicated to negative emissions (absorption and storage, etc.), emissions prevented or carbon credits (as distinct from your decarbonisation objectives)? To help you answer, you may complete the table in Appendix 1.

Thanks to its craftsmanship model and a production mainly in France, Hermès is today one of the lowest carbon emitters among CAC 40 companies (666 k tonnes CO₂ eq in 2023). Nevertheless, taking all the necessary measures to combat climate change, the Group has stepped up all actions aimed at reducing the Group's footprint since 2020.

GREENHOUSE GAS EMISSIONS ASSESSMENT

<i>In k tonnes CO₂eq</i>	2018	2019	2020	2021	2022	2023	Like-for-like change/2022 ¹	Change/ 2018	2030 target
Scope 1	22.1	20.9	19.9	21.3	18	12.8	-	-	-
Scope 2 market-based	21.7	20.5	18.7	16.1	13.3	9.2	-	-	-
Total scopes 1 and 2	43.7	41.4	38.5	37.4	31.3	22	-29.5%	-49.6%	-50.4%
Scope 3	578.7	483.5	462.5	490.1	609.6	643.8	-	-	-
TOTAL GROUP	622.4	524.9	501.0	527.5	640.9	665.8	1%	-	-

(1) See the greenhouse gas emissions assessment table in the appendix to § 2.5.

Global warming and its impact on biodiversity, as well as the industrialisation of raw materials are areas of concern, that we are addressing through our climate strategy, our concrete initiatives in terms of responsible supply chains, and our policies for preserving natural resources.

The Group joined the Science Based Targets (SBTi) initiative at the end of 2021, with the aim of achieving net zero emissions by 2050, and has obtained validation of the emission reduction targets for scopes 1, 2 and 3 as part of a trajectory that will help to limit global warming to 1.5°C by 2100, in line with the Paris Agreement.

Hermès' decarbonisation objectives are as follows:

- implement a policy of 100% renewable electricity within its own operations by 2025 [short term] and 100% renewable energies by 2030 [medium term]
- phase out fossil fuels at manufacturing sites [medium term]
- reduce absolute value by 50.4% for scope 1 and 2 emissions over the period 2018 to 2030 [medium term]
- reduce relative value by 58.1% for scope 3 emissions over the period 2018 to 2030 – this objective means involving the supply chain in the process, as well as suppliers and partners [medium term]
- reduce the carbon footprint per square metre of real estate space built or renovated by 2030 by 50% compared with 2018 [medium term]
- achieve net zero emissions by 2050 [long term].

To achieve these ambitious objectives, climate¹ and decarbonisation transition plans have been defined for the three scopes.

The Executive Committee holds bimonthly meetings entirely dedicated to sustainable development, at which it validates strategic directions, monitors the related objectives and results, and periodically reviews the adequacy of the resources allocated to the objectives.

The industrial department coordinates a plan to reduce scope 1 and 2 emissions with the *métiers* (business divisions) and production sites. In preparation, each *métier* analysed the emissions of its industrial sites. The plans include actions to optimise existing equipment or investments in new, more efficient equipment or lower-carbon energy production.

The combined actions described below make it possible to forecast an additional emissions reduction of 10,200 tonnes of CO₂ eq. in absolute value between 2023 and 2030, and should allow a 50% reduction in emissions from manufacturing sites by 2030 compared with 2018, including the projected growth in activity [100% of objective c]:

¹ https://assets-finance.hermes.com/s3fs-public/node/pdf_file/2023-07/1690390651/plan-de-transition-pour-le-climat-dhermes-juillet-2023-vfr.pdf

Métiers	Scopes 1 and 2 decarbonisation plan [objectives a-b-c-f]
Tanneries	<p>Photovoltaic electricity production at sites located in countries with carbon-based electricity: 2023: Conceria di Cuneo - Increase in photovoltaic equipment (an additional 300 m² in the summer of 2023) and LED relamping.</p> <p>Connection to low-carbon district heating networks: 2024: Tannerie de Montereau – Connection to the waste incineration plant for heat recovery.</p> <p>Substitution of gas with a low-carbon alternative energy: 2024: Tannerie de Vivoin – Move from gas boilers and the steam circuit to all-electric, with replacement of production equipment (drums and dryers) 2025: Tannerie d'Annonay – Installation of two hot-air gas boilers through heat pumping and biomass boiler. 2025: Tanneries du Puy – Removal of gas boilers and the steam circuit. Study of technological choices in progress. 2025: Mégisserie Jullien – Replacement of gas boilers. Study of technological choices in progress</p>
Farms	<p>Photovoltaic electricity production at sites located in countries with carbon-based electricity. Increase in the number of photovoltaic panels at Australian sites between 2025 and 2027. Replacement in 2027 of a fuel oil boiler on one of the farms by a decarbonised hot water production solution. Increased monitoring of refrigeration facilities to limit refrigerant leaks as much as possible.</p>
Leather	<p>Specific investment programme with a schedule between 2023 and 2026 for 5 priority leather goods workshops (generating 58% of scope 1 and 2 carbon emissions)</p> <p>Progress actions are planned until 2029 for all leather goods workshops. Optimised management of energy equipment, elimination of the use of fossil fuels (specifically gas) and work to optimise existing buildings are planned. In this context, in 2023, within the Manufacture de Haute Maroquinerie, building insulation work was carried out and the gas boilers were replaced with heat pumps. The adjustment of temperature settings at all sites has led to reductions in energy consumption of up to 27%. Each new leather goods workshop follows the Harmonie standard which addresses carbon issues and targets stemming from the Group's commitments with respect to new construction, renovation and dismantling projects.</p>
Textile	<p>2023: Energy consumption represents 8% of the sector's carbon emissions. Scope 1 and 2 emissions were reduced by 7% compared with last year thanks to the actions implemented.</p> <p>Energy saving and efficiency: Change in use or renewal of equipment: boilers, extractions, rooftops. Shutdown of certain energy-intensive equipment or production. Communications, regular monitoring and control.</p>
Crystal manufacturing	<p>The installation at the end of 2022 of a gas melting furnace using oxy-fuel combustion has reduced gas consumption by more than 30% compared to the old furnace. Part of the waste heat from this new furnace is recovered to heat the adjoining La Grande Place museum, reducing the associated gas consumption by more than 40%. The renewal of equipment, the use of waste heat and the electrification of processes associated with energy efficiency and saving actions are also being studied in order to continue the site's decarbonisation.</p>
Perfume and Beauty	<p>Continuation of a feasibility study for the replacement of gas boilers with a low-carbon solution: biomass or geothermal boilers, or connection to a heating network, taking into account plans for development at the site.</p>
Hermès Manufacture de Métaux	<p>Actions carried out: Fabrique de Cœuilly: removal of gas heating, reinforcement of the roof insulation, installation of an instantaneous water heater and LED re-lamping. Fabrique de Bonnetage: installation of a wood pellet boiler, replacement of the electric heater with an inertia radiator, installation of LED lighting and variable speed drives on the electric motors. Fabrique de Roye: optimisation of the centralised regulation of offices, provision of thermostats for room temperature control, and installation of LED lighting and presence detectors to reduce energy consumption for lighting. Fabrique de Châtillon-le-Duc: installation of LED lighting, installation of a new air compressor with self-regulating time settings for more precise control of energy consumption.</p> <p>Actions to be implemented: Fabrique de Champigny-sur-Marne: optimisation of electroplating management, wall insulation, replacement of windows and installation of LED lights. Fabrique de Fundão: studies regarding the installation of wind turbines and photovoltaic panels, improvement of wall insulation. Fabrique de Cœuilly: study regarding the installation of solar panels and solar films to reduce the need for air conditioning. Fabrique de Bonnetage: insulation of walls, replacement of doors and windows, optimisation of ventilation and updating of the machine fleet.</p>
Ateliers Hermès Horloger et LMH (Switzerland)	<p>Validation of the Universal Objectives Agreement, under the aegis of the Swiss Confederation, with recognition of the commitments made on energy efficiency and climate protection until 2031. The reduction targets have been validated by the FOEN (Federal Office for the Environment) and will be monitored annually by an external firm.</p>

	<p>The first measures to decrease energy consumption and reduce CO₂ emissions have been validated and will be implemented in the coming months: roof repair, photovoltaic solar installation, improved lighting, etc.</p> <p>The 300 Hermès Horloger employees were also trained in climate issues with a day dedicated to the Climate Fresco and Hermès' climate issues. It was the largest corporate climate fresco ever organised in a company in Switzerland.</p>
Porcelain	<p>Replacement of equipment with more efficient equipment and changes in uses: compressor, industrial dishwasher, vacuum pump, wrapping machines.</p> <p>Optimisation of the filling and operating ranges of enamel kilns.</p> <p>Reduction in the heating temperature settings for buildings and hot water used for decoration, shutdown of certain heating and ventilation equipment at weekends.</p> <p>In addition, a decarbonisation study of the CATE site was carried out, with the support of the real estate department. It led to a plan to substitute the gas used on site in the coming years.</p>

For **scope 3**, the **climate transition plan** includes actions on the **items with the highest footprint**:

Real estate (objectives d-e-f, see objectives above):

The Group real estate department systematically conducts a Life Cycle Analysis (LCA) of the construction materials chosen for each real estate project. Thus, to improve the carbon footprint of new stores and new buildings, special attention is paid to the choice of building materials, reduction in their weight, efforts to source supplies locally, and modes of transportation with low carbon emissions. The deployment of the Harmonie standard will significantly reduce scopes 1 and 2 of new buildings. This standard addresses carbon issues and targets stemming from the Group's commitments with respect to new construction, renovation and dismantling projects.

Transportation (objectives d-f, see objectives above):

Calls for tenders for goods transport systematically include a criterion linked to the improvement of the carbon footprint: selected service providers are gradually being asked to use NGV and bioNGV for road transport, SAF (Sustainable Aviation Fuel) for air transport, and SMF (Sustainable Maritime Fuel) for maritime transport. With regard to alternative fuels, carriers are required to source only from recognised and certified suppliers.

To improve the carbon footprint of transport, three main levers exist and are mobilised, possibly jointly, by the sales department: continue the modal shift, deploy alternative fuels and optimise transport.

The intensity of emissions related to goods transport has decreased by 26% in five years.

Purchases of goods (objectives d-f, see objectives above):

Purchases of the raw materials needed for the production of Hermès objects (leather, textiles, metals and precious stones, etc.) represent 58% of the total carbon impact and 60% of scope 3.

Decarbonisation of our Purchases of goods can only be done in conjunction with suppliers or partners.

The objective is therefore to support them so that they can carry out their own carbon footprint assessment and then allocate the appropriate share to each Hermès *métier*. More mature suppliers receive a questionnaire in order to share their CSR strategy, their carbon footprint or their reduction trajectory, starting with their scopes 1 and 2. Supplier days are also organised with a focus on carbon.

Examples are given in the URD 2023, including two presented on page 189:

For textiles, a multi-company group bringing together players in the cashmere sector, including the Textile division, was created to work on cashmere emissions and identify and reduce the items with the highest footprint; the study began in 2023 and will be completed in 2024.

For leathers, the raw materials department of the Tanneries division, in conjunction with the direct purchasing department, has created Environmental guidelines to improve discussions and the sharing of best practices with its raw hide suppliers. These guidelines, co-developed with Bureau Veritas, have been introduced to assess and share best practices in an educational way, in particular energy management, in connection with carbon emissions.

Commuting and business travel (objectives d-f, see objectives above):

For example, the Leather division has set the ambitious objective, due to its mainly rural locations, of reducing the impact of employee commuting by 4% per year. Several actions are underway within the production units, such

as the implementation of a digital solution for managing sustainable mobility at work. Within the Leather division, leather goods workshops are equipped with charging stations for electric vehicles to encourage and facilitate the use of hybrid and electric vehicles.

Hermès also drives a proactive policy of replacing internal combustion vehicles with electric or hybrid vehicles (34% of the current fleet in France), both for company vehicles and service vehicles. Hermès' vehicle policy has always anticipated regulations, in France and internationally: limiting CO₂ emissions/km, limiting vehicle weight, eliminating diesel from 2017, etc.

This policy is being continued with a vision for mobility and no longer solely from a motorisation perspective. With regard to longer distance travel, the disruptions caused by the health crisis were an opportunity to consolidate alternative working solutions (videoconferencing), and accelerate employee awareness of the review of the most efficient working methods internationally. The distribution subsidiaries are working on organisations to reduce their carbon footprint, in the context of monitoring their strategic CSR plans. For example, initiatives are carried out locally in France.

The Group's ambition to achieve a "net zero" target by 2050 is based on two complementary approaches: focus on reducing emissions in our own value chain and use voluntary offsetting, which is based on what are known as "nature-based" solutions.

This voluntary offsetting is accounted for separately. In June 2012, Hermès joined the Livelihoods carbon funds (LCF), a coalition of companies financing carbon offset projects with high social and environmental value, totalling, *inter alia*, 142 million trees already planted, and benefiting more than 2.15 million people. In 2023, the Group offset 30% of its emissions. This voluntary investment in carbon offset projects is part of a strategy to gradually increase the coverage rate of the Group's residual emissions, with the target of an intermediate situation of 50% between 2030 and 2040, and 100% of residual emissions by 2050, with a view to "net zero".

- b) Could you indicate an investment amount necessary for each of the main actions taken across all three scopes? Please specify the time horizon for each of these investments. The information required here is very often different from the amount of CAPEX/OPEX aligned with EU Taxonomy, which only covers investments in your sustainable activities and excludes those related to your overall decarbonisation plan.**

The Executive Committee approves the capital and operating expenditure required to implement the transition plan, whether exceptional or budgeted. The action plans set out in the decarbonisation programme are reflected in the consolidated financial statements through operating investments and operating expenditure.

To give a few examples, the commitment to build leather goods workshops, such as Louviers and La Sormonne, in line with the ambitious E4C2 objective, has led to a significant increase in construction costs. For example, the additional construction costs for the Louviers site represent €1 million, breaking down into €200,000 for dedicated studies by specialist consultancies and €800,000 for the actual construction costs, including the additional investment costs of incorporating shelters, solar protection, natural ventilation, interior insulation, geothermal energy, heat recovery and photovoltaic electricity generation.

In 2022, the additional cost of renewable electricity contracts was estimated at €170,064.

In 2023, the alignment of CapEx under the Taxonomy totalled 20% (aligned CapEx out of total Taxonomy CapEx), compared with 8% in 2022. This alignment for climate mitigation is split between the renovation of existing buildings and the acquisition and ownership of new buildings.

The Group owns almost all of its production sites. Hermès has created its own sustainable construction framework, called Harmonie, certified in 2022 for its alignment with the most ambitious labels and certifications on the market. This framework is gradually being enhanced with the criteria and evidence required by the Taxonomy. Thus, the application of the Harmonie framework contributed significantly to the increase in the CapEx alignment rate.

In addition, the Hermès Group leases most of the stores in the cities where it operates. These stores are often located in the shopping avenues of historic city centres, in buildings that do not yet meet the highest energy performance standards, and are currently incompatible with the standards set by the Taxonomy. Nevertheless,

whenever possible, Hermès undertakes renovation work to improve the environmental performance of the occupied point of sale. In total, the alternative indicator showing the ratio of aligned Taxonomy CapEx to eligible Taxonomy CapEx amounted to 32% in 2023.

- c) On which reference scenario(s) is your decarbonisation strategy based (for the three scopes)? Is it aligned with a 1.5°C scenario? Has it been approved by an independent third party (SBTi, ACT-ADEME, etc.)? Please provide the name of the scenario(s) and the reference organisation(s) (e.g. IEA, IPCC, etc.).**

The Group has committed to follow an emissions reduction trajectory that will help limit global warming to **1.5°C** by 2100, in accordance with the Paris Agreement. The related emissions reduction targets for scopes 1, 2 and 3 have been **validated by the Science Based Targets initiative (SBTi)**. The aim is to reduce the absolute value of emissions for scopes 1 and 2 by 50.4%, and the relative value by 58.1% (per million euros of gross margin) for scope 3 emissions over the period from 2018 to 2030. Hermès also aims to contribute to achieving net zero emissions by 2050.

In 2023, the Group's GHG emissions were 666 thousand tonnes of CO₂ equivalent. With a 49.6% decrease in absolute value for scopes 1 and 2 compared with 2018, and a 52.2% reduction for scope 3 in intensity, emissions are in line with the Group's 2030 targets validated by SBTi.

The Group's policy also includes a forward-looking vision by analysing the risks associated with climate change on its operations and business model (physical risks and transition risks) using scientifically recognised scenarios, including those of the IPCC (SSP1-1.9, SSP1-2.6, SSP2-4.5, SSP3-7.0, SSP5-8.5).

Question 2

There is still insufficient consideration of biodiversity-related risks, impacts, dependencies and opportunities in companies' business activities (internal operations, supply chain, products, customer services, etc.). However, the context and the tools (e.g., TNFD, SBTN, GRI) are improving, as are related practices. This issue may seem somewhat immaterial for some sectors. However, we feel it nonetheless warrants an analysis by all parties.

- a) Have you taken any steps to assess, monitor and reduce your dependencies, your risks and your footprint while also exploring your opportunities (investment in projects that have nature-positive impacts, services that promote diversity, etc.) with respect to biodiversity and nature? Is your assessment up to date and does it cover your entire value chain (direct, upstream and downstream operations)? If it only covers part of your value chain, do you plan to extend the scope of this assessment? If not, why?**

Hermès is working to protect biodiversity in its direct sphere of responsibility, in its extended sphere of influence, and through voluntary commitments reaching beyond its economic sphere of influence. To meet the current challenges regarding the loss of biodiversity, Hermès has made a concrete commitment with a strategy formalised in 2018 and updated in 2020 around four structuring elements: train, collaborate, assess and act. These commitments are made within global, European and national frameworks. The subject of "Biodiversity" is overseen by the Executive Committee, which relies on the work of the Sustainable Development Board. In addition, this issue is driven by specific competence present on the Supervisory Board.

By identifying our nature-related risks and dependency and understanding the interrelationships between our value chains, nature and climate change, Hermès can better integrate the topic into our operations and strive to anticipate and mitigate disruptions associated with the erosion of biodiversity. By calculating and taking concrete actions to reduce our biodiversity footprint, Hermès aims to ensure the sustainable use of nature, while maintaining ecosystem services, to take advantage of its opportunities. Hermès aligns its action and its

biodiversity footprint trajectory with the major global frameworks and the best standards, aiming for harmony with nature that is appreciated, conserved, restored and used in a reasonable way.

To address the current issues of global biodiversity loss, Hermès has made a concrete commitment with a strategy defined in 2018 and updated in 2020 around four focus areas: training, collaboration, assessment and action. These commitments are aligned with the Kunming-Montreal Global Biodiversity Framework.

The four focus areas chosen are intended to guide the Group and its business divisions in measuring the biodiversity footprint of value chains, to co-develop corrective and positive actions, and to support upskilling in the organisation. They include specific commitments that set clear objectives and dedicated timelines.

In 2021, Hermès measured its footprint using the Global Biodiversity Score (GBS) tool developed by CDC Biodiversité (a subsidiary of Caisse des Dépôts), implemented with the support of WWF France and based on field, financial and theoretical data from 2019. The scope of the study includes 92% of Hermès' revenue, scopes 1, 2 and 3 upstream (i.e. excluding the use phase). This scope is called the "Vertically Integrated Scope" by CDC Biodiversité.

In 2023, particular attention was paid to the Leather Goods & Saddlery division (43% of revenue) with an in-depth study of this activity, focusing in particular on a selection of the House's emblematic leathers (calfskin, lamb, goat, pig, cattle, crocodilian and ostrich) and their breeding systems and food rations, specific to each situation, in order to better understand the action levers of our supply chains and thus be able to take effective measures for the biodiversity footprint of these sectors. This work, which covers the vertically integrated scope, is being finalised, and will guide the strategic biodiversity brief for 2024.

To better understand our nature-related impacts, risks and opportunities, in 2023, Hermès applied the SBTN (Science Based Targets for Nature) method to the first two steps, with the help of its external partners. Upstream of step 1, the scope of the study was precisely defined through a preliminary scoping step. In accordance with the expectations of the SBTN method, the 16 Hermès *métiers* and all raw materials supply chains were taken into account in the analysis. Step 1 consisted of building the list of material pressures of Hermès' 16 *métiers*. The sector materiality analysis highlights materiality issues mainly located upstream of the Hermès value chain, in particular in connection with the degradation of habitats for the production of agricultural commodities (crops for textiles, feed for livestock farming) and climate change. For direct impacts, the sector analysis revealed an issue relating to water consumption and pollution. Thanks to the Group's environmental data, 53% of purchases, representing 90% of the pressures on biodiversity, were covered by the SBTN methodology – the remainder was modelled. Step 2 consisted in combining and interpreting the pressure and state-of-nature data modelled during step 1 in order to rank the priority sites and supply chains. This ranking will subsequently allow us to set objectives for Nature based on science, pressure by pressure, and on priority scopes (step 3 of the SBTN framework).

b) Do you publish the results of this work? If not, do you plan to publish it in future? Please explain your answer. Do you plan to draw on voluntary frameworks such as the TNFD, SBTN or GRI101 to report on nature-related risks and opportunities?

The approach, method, scope and main results of the assessment work are published in our 2023 Universal Registration Document², on pages 140-143 for SBTN and on pages 146-147 for GBS.

With a view to aligning with international frameworks and the best standards, the Group has selected a number of them based on their pragmatism, scientific relevance and visibility to the stakeholders concerned. Cross-reference tables indicate the link between their specific features. The approaches followed by the Group and mentioned below are based on the same strategy, each providing a specific angle of interest.

² https://assets-finance.hermes.com/s3fs-public/node/pdf_file/2024-03/1711537732/240326_hermes_2023urd_en.pdf

- **Act4Nature International.** Hermès committed to the Act4Nature collective and individual commitments in 2018.
 - **Science Based Targets for Nature (SBTN).** In 2023, Hermès joined SBTN's Corporate Engagement Program and WWF France's Capital Lab Naturel with the aim of implementing the method across all the Group's activities.
 - **Taskforce on Nature-related Financial Disclosures (TNFD).** Hermès provides a cross-reference grid between its work and the TNFD framework (2023 URD, p. 241).
 - **Global Agreement for the Convention on Biological Diversity (Kunming-Montréal).** Hermès is already considering the concrete responses to be provided under the Kunming-Montreal Global Biodiversity Framework and summarises them in a table on page 144 of the 2023 URD.
 - **French National Biodiversity Strategy 2030 (SNB).** Hermès demonstrates the alignment of its biodiversity strategy with the key measures of the four SBN pillars on page 145 of the 2023 URD.
- c) **Do you publish or do you plan to publish quantitative indicators to report on your company's biodiversity-related risks and opportunities (value of assets, liabilities, income and expenditure considered to be vulnerable to nature-related risks, CAPEX, financing or investment devoted to nature-related opportunities, etc.)? If yes, please state which indicators and indicate whether you set targets. Please explain your choice of these indicators. If not, please state why?**

In line with the four-pillar strategy described above (train, collaborate, assess and act), Hermès monitors and publishes the following biodiversity indicators:

- Number of projects supported to promote farming that is more respectful of nature (hectares preserved)
- Certification processes by supply chain (% certified)
- Assessment and monitoring of the impact on biodiversity (GBS, SBTN)
- Number and quality of supply chains studied with a focus on biodiversity
- Number of employees trained in biodiversity issues
- Number and duration of relationships with expert stakeholders
- Number of production sites at which a biodiversity assessment has been completed
- Percentage of CSR brief distribution to suppliers, including a biodiversity component

In addition to the quantitative indicators in the studies and assessments presented above, which have already been completed and published, Hermès sees the CSRD as an opportunity to go further in highlighting CSR performance, which includes ESRS E4 (biodiversity) and therefore the nature-related impacts, risks and opportunities, and to facilitate management.

In 2023, all internal Hermès teams were involved in preparing the upgrading of our non-financial reporting in order to better prepare for the requirements of this new directive for the 2024 reporting exercise, published in 2025. Supplemented by the dual materiality exercise as defined by EFRAG, this work will enable Hermès to draw up and disclose a list of qualitative and quantitative material indicators, some of which will be based on the ESRS E4 requirements concerning biodiversity.

Question 3

a) **How does the circular economy fit into the company's strategy?**

Assessment criteria:

- **Targets (quantitative, ambition, scope)**
- **Ambition and quality of strategy**
- **Links to other sustainable development issues (such as decarbonisation and biodiversity)**

Thanks to its artisanal dimension, the Group has always followed the principles of the circular economy, with the central concern of reducing production scraps as much as possible and reusing them, as well as the application of its expertise in repair and After-Sales service.

The circular economy is part of Hermès' broader strategy as regards raw materials. Hermès uses exceptional raw materials, from renewable natural sources, which enable it to create long-lasting objects. They are obtained with the aim of controlling their environmental and social footprint, both in terms of biodiversity and human rights, and are used with respect by optimising their use.

Hermès' flagship materials – leather, silk, cashmere and wood – are all natural, renewable and obtained in such a way as to minimise their environmental footprint. The model and values of craftsmanship guiding the House have always promoted the careful and respectful use of these rare and precious materials. Hermès artisans take great care not to waste resources, to use only what they need and to optimise the use of materials. Recycled materials are increasingly used in manufacturing. In all our *métiers*, channels are also identified to recover and recycle manufacturing offcuts, in addition to the emblematic activities of *petit h*, a pioneer in this area since 2010. The creation of Hermès objects depends on a high-quality ecosystem that is able to provide it with exceptional materials. Materials are therefore selected and supplied within the framework of a rigorous process set out in technical specifications, complying with regulations, respecting biodiversity and best practices, as part of our constant quest for the highest quality and ethical integrity. Respecting and protecting biodiversity is also fundamental for the sustainability of Hermès' business model.

In particular, as part of the eco-design and circular economy approach, the Group works to reduce the impact of its objects by focusing its approach and actions on their sustainability, circularity, reparability and traceability. Each *métier* and each production unit is committed not only to applying the principles of eco-design to use materials wisely, but also to reducing waste and promoting reuse and recycling to move towards a circular economy.

The Group's policy is to go even further in terms of the eco-design of its products, by using "non-renewable resources as little as possible, preferring the use of renewable resources, and which are used while respecting their renewal rate, as well as being combined with recovery processes for surplus materials and production offcuts that promote reuse, repair and recycling". This preventive approach, based on dedicated tools, in particular LCA, contributes to minimising the environmental footprint of products over their entire life cycle, without compromising on their properties in use. The House's ambition is to offer sustainable, eco-designed products that respect nature, and which retain their technical characteristics over time. The House's creative excellence, and the often timeless nature of the collections also allow Hermès objects to remain desirable over the long term, thus extending their period of use.

In pursuing our ambition to optimise the use of raw materials across their life cycle by integrating the circular economy principles, Hermès has defined the following objectives:

- Identify eco-design levers and courses of action for all products
- Define a circular economy roadmap for all the *métiers*
- Engage in a process of recycling co-products from other industries
- Favour the use of recycled materials where appropriate
- Develop upcycling, recycling and donation processes to improve and manage product end-of-life
- Incorporate a circular and eco-responsible approach into creation
- Carry out product repairs

b) What risks has the company identified in relation to resources, costs incurred and the amount of CAPEX/OPEX allocated to promote a circular economy?

Assessment criteria:

- Identification of upstream and downstream risks (scarcity, sourcing, access difficulties, waste management, regulation, etc.)
- Related financial costs
- CAPEX and OPEX (as %)

As one of our material risks, Hermès has identified a risk relating to the availability and proper use of natural resources. The Group seeks to secure quality supplies of natural and renewable materials, obtained while fully respecting biodiversity. The risk relates to access and availability of materials, as well as the conditions under

which they are obtained: social and environmental impact and their societal acceptability (animal welfare).

The Group works in each of its *métiers*, under the coordination and supervision of the direct purchasing department, to gain a better understanding of the supply chains and develop operational practices in order to jointly build the resilience of these channels. The approach undertaken aims to:

- Control the entire value chain with operational traceability and long-term partnerships with suppliers, partners and NGOs;
- Contribute to the development of the most demanding standards for responsible and sustainable management of supply chains: environmental footprint (biodiversity, water, energy, carbon), social (working conditions, ethics, corruption), and societal (link with communities). Audits supplement this system and are carried out regularly with specialised service providers, or for certain sectors with the WWF, in order to fully identify risks;
- Support regenerative agriculture that is more respectful of nature;
- Set the highest standards in terms of animal welfare and ethics in the relationship with living organisms: a dedicated committee has been in place since 2019 and a policy was formalised in 2021. An e-learning module on animal welfare was made available to all employees in March 2022 to raise their awareness of the issues and share the Group's strategy and objectives;
- Create circularity: the industrial transition & quality department, created in 2022, provides cross-functional support for the Women's and Men's Ready-to-wear, Shoes, Fashion Accessories, Silk and Textile, Home and Jewellery *métiers* on eco-design and the circular economy. This approach is also underway in the Leather Goods, Watches and Perfume and Beauty *métiers*.

c) What key actions has the company taken to create a more circular business model? What proportion of sales does this represent?

Assessment criteria:

- **Integration of the different pillars of the circular economy (reducing resource consumption/conservation, eco-design, sustainable sourcing, reuse, industrial and territorial ecology, recycling, etc.)**
- **Scaling up initiatives and projects to promote a circular economy**
- **Percentage of sales linked to circular solutions (or any other indicator linked to the circular economy)**

Hermès' circular approach follows the **principle of the 9Rs**, a system proposed by the European Union. It begins with the design of the object, seeking to minimise its impact on the environment through optimised use of resources (reuse dormant materials, integrate recycled materials and refillable products, etc).

It applies to all of the products of the House, which produces more than 55% of its objects in-house, and is gradually being rolled out to our suppliers and our value chain, in particular for the regeneration of raw materials channels, with the clear objective of reducing the consumption of raw materials and the generation of waste. The approach includes the following actions:

- **Rethink:** this involves rethinking the design of objects using the principles of eco-design. More than 80% of the *métiers* have completed at least one ACV on their emblematic products. All the *métiers* have a section dedicated to the circular economy in their roadmap. Approximately 2.8 million products incorporating a circular approach were developed in 2023.
- **Reduce:** all *métiers* adopt sober approaches in the use of exceptional materials, which are often difficult to source. 98% of leathers used by Hermès come from agri-food channels (process of recycling co-products from other industries)
- **Reuse:** reuse production materials within our *métiers* (more than 35,000 products reuse materials) and

recover materials from unsold goods.

- **Repair/maintain:** Hermès objects can be passed on from one generation to another, due to their durability. After-sales services allow us to maintain objects and extend their life, and 202,000 products were repaired in 2023.
- **Refurbish:** this principle means refurbishing and/or modernising an old product, so that it can be used for its original function. At Hermès, this means specific repairs that we call "renovation".
- **Remanufacture, remake, rework:** this involves recovering parts from a product with a similar function but with the qualities and specifications of a "new product". This principle is beginning to be rolled out in the House, for example, in fashion accessories or ready-to-wear. 100% non-mining gold and silver is used in Hermès Bijouterie workshops.
- **Recycle:** in France, unsold products are either donated or recycled. This recycling is carried out in either an internal loop (the *métiers* use recycled materials) or an open loop (the materials are a resource for other industries). 24 tonnes of textile materials were recycled for the Textile division in 2023.

Social

Question 4

- a) In France, the "Climate and Resilience" Act of 22 August 2021 (Loi "Climat et Résilience") and the national cross-industry agreement (ANI) on the ecological transition and social dialogue of 11 April 2023 extended the environmental prerogatives assigned to the Social and Economic Committee (SEC) while strengthening the role of local representatives. In the past twelve months, which initiatives have most clearly embodied a change in the way these bodies operate within your Group, in line with these measures?

In addition to the credit of hours they have for their employee representative activities and the possibility of seeking technical expert support, our social partners have access to the Economic, Social and Environmental Database (BDESE), which includes data relating to environmental issues. Furthermore, we regularly raise our representatives' awareness of these issues, in particular through e-learning modules that are accessible on our intranet. These modules cover "the fundamentals of sustainable development", "climate change", "biodiversity" and "animal welfare". Our employee representatives also have access on the intranet to a number of recorded conferences relating to environmental issues: "Reconciling people with wildlife", "All about Plastics, bioplastics, biodegradability, recycling, LCA, etc." and "Responsible Travel".

- b) In light of these new prerogatives, the training and expertise of social partners are key issues. Have you recently developed (or do you plan to develop in the near future) any programmes dedicated to social partners to foster their expertise in environmental issues beyond the minimum legal requirements?

As we are keen to go further in involving our employee representatives in these environmental concerns, our next H-day will be dedicated to this theme. This one-day event, to be held on 5 September, will be attended by all the shop stewards from the various trade union organisations at our sites and several representatives from each of our SECs.

- c) International framework agreements are a means to improve the quality of social relations within large companies. Does your Group have a framework agreement that goes beyond the scope of the European

Union? If so, how have you incorporated the issue of the ecological transition and broader environmental issues? If not, do you have any plans to do so? For your five main regional markets outside France, can you list key initiatives that highlight a recent increase in the involvement of social partners in the company's environmental policy?

We have not negotiated any international framework agreements because, given the size of our workforce and/or the applicable regulations, we do not have union representatives in most of the countries in which we operate. This is particularly the case in our main markets (China, Japan, South-East Asia and the US).

However, in the United States, Japan and China, we have a sustainability manager who works full time on these issues.

We are also rolling out a specific training programme in all our stores. It includes 12 capsules dedicated to sustainable development themes and is implemented by our retail managers for our sales teams.

Question 5

- a) For each of the last five financial years, could you please state the number of shares repurchased (please also indicate the number of shares under liquidity contracts) and the number of shares issued, along with the number of treasury shares held at the start and end of each financial year? For each of these financial years, please provide a breakdown of the number of shares cancelled; the number of shares allocated as performance shares (along with the number of beneficiaries and their proportion in relation to the overall number of group employees); the number of shares distributed through employee shareholding plans (along with the number of eligible employees, the number of actual beneficiaries and their percentage of the total Group workforce); other uses (including relevant details)? To help you answer, you may complete the table in Appendix 2.
- b) With respect to performance share plan, where applicable, how do you "offset" the effects of treasury shares or cancelled shares to determine whether goals have been met?
- c) Please indicate the amount invested (R&D and capex) over the past five financial years (year by year). How much share capital have you repurchased and cancelled during this period? You may use the table in Appendix 3 to clarify your answer. As part of the overall approach to value sharing, do you scale the amount allocated to share buybacks in relation to amount of investments - particularly with respect to the ecological transition - by the company (which is vital to create value and ensure the long-term success of the company)? If so, do you apply any particular rules in this regard? If not, please explain why you have chosen not to consider investments when determining buyback amounts?

The Group's share buybacks are used to cover bonus share plans granted to employees, and have been for many years. In this context, 74,954 shares were bought back in 2023 for 132 million euros.

The table below provides a summary of changes in the company's treasury shares over the last five years:

	2023	2022	2021	2020	2019
Number of treasury shares at the start of each year	1,033,625	925,153	966,793	1,361,629	1,317,379
Number of shares repurchased	74,954	104,269	142,131	168,780	84,757
Change in number of shares in the liquidity contract	- 2,047	4,467	- 4,815	- 2,844	- 1,507
Number of shares created	0	0	0	0	0
Number of shares allocated under free share plans	- 267,417	- 264	- 178,956	- 560,772	- 39,000
Number of shares cancelled	0	0	0	0	0
Number of treasury shares at the end of each year	839,115	1,033,625	925,153	966,793	1,361,629

This table reflects our policy of building employee loyalty through free share plans introduced by the House in 2007. The shares are purchased on the markets by Hermès International and then awarded to all employees at

regular intervals. Free share awards do not dilute the share capital because they consist exclusively of existing shares in the company.

All of these employee shareholding plans serve three purposes:

- to show the confidence of the House in the long-term commitment of its employees and unite them around the Hermès Group strategy;
- to acknowledge the contribution made by all employees, whatever their role, to the development of the House, by providing a single compensation component to share the benefits of our growth, enabling employees to identify more closely with our long-term growth decisions;
- to consolidate the strong links between employees and the House.

The latest plan announced in June 2023 follows the same logic, with shares to be delivered to employees, subject to conditions of presence and performance where applicable, in 2027. Under this collective plan set up on 15 June 2023, each eligible employee worldwide – i.e. more than 18,000 employees in the House's entities in more than 35 countries – was awarded rights to 12 free shares. At the end of the employee acceptance period, a total of 210,168 shares were allocated.

No shares have been created or cancelled over the last five years, and the number of shares in circulation has remained stable at 105,469,512 over the same period. With the exception of the liquidity contract, the reduction in treasury shares held at year end between 2019 and 2023 therefore relates exclusively to allocations to Group employees. The solid financial structure of the House means that these free share plans can be carried out in parallel with other capital expenditure. Over the same period, the amount of operating investments thus increased from €478 million in 2019 to €859 million in 2023.

Given their scope and generosity, these free share award plans have no equivalent on the market, either in France or abroad. The vast majority of employees who become shareholders through these employee shareholding plans keep their shares well beyond the mandatory vesting and holding periods (in France, where applicable). As at the end of 2023, they held 1.09% of the Group's capital and 80% of employees held shares or rights that were vesting.

Question 6

The Global Living Wage Coalition defines a living wage as: *"The remuneration received for a standard workweek by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transportation, clothing, and other essential needs including provision for unexpected events."* A living wage is also very different from the local legal minimum wage.

- a) Have you adopted a living wage definition similar to the above? If so, what is it? Have you developed a policy/commitment with regard to this living wage matter (public commitments, accreditation as a Living Wage Employer, etc.)? Please note that answers to the following questions should include information specifically related to a living wage, as opposed to the minimum wage required by local law. If you have not yet committed to a living wage, please move on to question 7.

True to its values of sharing, Hermès pays constant attention to the recognition of its teams and the conditions of compensation and development of all its employees. The objective is to offer them full protective compensation and to recognise their contribution to the development of the House throughout their working life.

The budget guidelines for wage increases during the annual salary review take account of inflation and changes in local wage markets. Over the last three years, 20% of added value has been redistributed to employees. True to the company's social model and its desire to share the fruits of growth with those who contribute to it on a daily basis, Hermès distributed a €4,000 bonus to all its employees worldwide. In total, the House paid out €450 million in 2023, including profit-sharing, bonuses and bonus share charges.

The House's policy is to offer all its employees, in all countries where the Group operates, competitive overall compensation that is higher than the legal minimum salary or that defined locally, and which provides a protective

framework in the short, medium and long term, not only for employees but also for their families.

The overall compensation policy is composed of a wide range of individual and collective schemes, salary components and benefits that cover:

- The fundamental needs and achievements of employees, in particular health, safety, education, social inclusion, access to leisure and personal and professional development, through fixed salaries, individual and collective bonuses, paid leave, and various profit-sharing schemes, additional social protection schemes in terms of health costs and collective insurance;
- The need for recognition and belonging of employees in the medium and long term – through employee shareholding plans awarded to all employees worldwide, the celebration of employees exceeding a certain length of service within the Group;
- The need to look forward to the future with confidence, including when a career comes to an end – through the provision of post-employment benefits via retirement benefits and supplemental pension plans set up voluntarily by Hermès for the very large majority of employees and in accordance with local market laws and practices.

As a responsible employer, Hermès is committed not only to offering ambitious and generous individual and collective compensation, but also to contributing to the economic and financial education of its employees so that they can take full advantage of these measures and make best use of their specificities and interests in the short, medium and long term.

The rich and balanced structure of the Hermès Group's compensation package gives our employees the means to live a decent life and to build up savings over the medium and long term. With a view to developing the financial well-being of our employees, the Group organises initiatives designed to build their economic and financial culture with the aim of autonomy and the ability to plan for the medium and long term with peace of mind.

The Group's compensation policy is that all of our employees should receive compensation that competitively meets best market practices, strictly complies with applicable standards and regulations, and is higher than the minimum legal or locally-defined salaries.

The House pays particular attention to the compensation of its employees in order to offer them a living wage that is not limited to the legal minimum wage. The analysis carried out in 2023 on the living wage confirmed that our standards applied to fixed compensation comply with local salary regulations and fully integrate the level of living wages, the thresholds of which are determined by independent reference organisations.

Hermès remains committed to an ongoing approach consisting of offering employees overall compensation that is rewarding, competitive and protective over the short, medium and long term.

By reference to the Universal Declaration of Human Rights, Hermès' policy is that each of its employees "has the right to just and satisfactory compensation ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection." As a responsible employer and in line with the values intrinsic to our social model, the House aims to go beyond a living wage and provide a good level of compensation and enable quality of life and long-term personal and professional development.

The purpose of the above-mentioned study is to verify and ensure that, over the long term, the compensation of all employees meets the House's standards of offering a full protective compensation package while providing a stimulating and inclusive environment for employees in all the countries where Hermès operates.

Benefits of various kinds complete the overall compensation package for the House's employees. These include health protection, death, accident, incapacity and invalidity schemes, supplemental pensions, supra-legal leave and other recognition schemes. The Group operates a comprehensive and ambitious social protection policy in all countries and aims to encourage the implementation of social benefits within a framework that is:

- collective, targeting all employees;
- ambitious with respect to benchmark market practices;
- adapted to the Group's values, local regulations and locally-identified needs.

Providing social protection to our employees wherever the Group is present against the risks of death, sick leave and healthcare costs (and indirectly to their families) is essential for Hermès. Employees are protected against the major risks of everyday life. Benefits cover medical and maternity care, retirement, as well as long-term illness and mortality risks. Hermès' aim is to protect the families of its employees, in the event of death, by paying a lump sum or equivalent annuities of at least two times gross annual basic salary. This protection currently covers 89% of employees worldwide. In France, the scheme is supplemented by an education allowance to enable the children

of a deceased employee to continue their studies. The cover put in place by Hermès supplements, where applicable, the mandatory legal plans and allow us to protect and retain employees. These schemes are mainly financed by the Company and are very popular with employees.

In terms of supplemental pensions, the aim is to help employees build up additional income at the end of their working lives. Hermès is often a pioneer in the proactive implementation of these schemes. For example, everywhere in the world where these defined-contribution supplemental pension plans have been set up, the Group finances the majority share (in accordance with legal rules and/or local agreements). The management of these systems is entrusted to specialist external partners (insurer, bank or other). The Group's total commitment in terms of defined-benefit pensions and other employee benefit obligations was €279 million in 2023. Thanks to these proactive and ambitious social protection policies, more than 97% of employees worldwide are able to benefit from health coverage, 96% are covered by disability plans, and 97% of employees worldwide are able to benefit from pension plans. These systems are amended as necessary (regulatory, Group decision, market practice, financial equilibrium, etc.) to contribute to the quality of the overall compensation package for Hermès' teams.

The granting of supra-legal leave, in particular to support parenthood, is an important issue for the House, which is very attentive to providing its employees with good working conditions and a balance between their professional and personal lives, particularly when welcoming a child. Since 2019, the Group has therefore decided to roll out a common maternity leave policy for all its subsidiaries worldwide. In particular, it includes full maintenance of basic compensation for a minimum period of 16 weeks' leave and coverage of the costs related to childbirth. The paternity and second-parent leave scheme subsequently evolved rapidly to offer employees of the House four weeks of leave with salary maintained without any length of service condition. This system was initially rolled out in France and has gradually been implemented around the world. To date, 78% of the House's employees have the opportunity to access this leave to welcome their children in good conditions. To support the choice of part-time working after a birth or adoption, pension contributions are paid by the employer on a full-time basis (these measures apply in the vast majority of entities in France, in accordance with the provisions of the collective agreements in force). The effective application of this policy is monitored as part of the Group's procedures.

We are also attentive to the level of compensation paid to the employees of our suppliers and subcontractors. Therefore, we actively encourage and support our suppliers and partners, particularly in France, in adopting a policy of regularly increasing the salaries and social benefits of their employees.

Hermès' artisanal model, in which 55% of products are made in exclusive, in-house workshops and 74% in France, relies on a network of suppliers based mainly in Europe, where social practices are stricter than in other countries. Hermès' exposure to the supplier risk is therefore reduced, especially since 58% of its top 50 direct suppliers are in France and 40% in other European countries. Two per cent of purchases are made in more distant countries, mainly for raw materials (e.g. exotic leathers), where strict control and monitoring are implemented.

The House's practice is to have a close relationship with its suppliers, historically for reasons of quality; however, this historical mode of operation is now also very useful for ensuring the quality of ethical, social and environmental practices.

From a legal standpoint, Hermès systematically requires formal commitments from its suppliers to comply with their social, regulatory and environmental obligations through two contractual documents signed by both parties. These documents define the contractual relationship and are updated regularly (the new Supplier Code will be published in 2024):

- Document 1 contains a commitment to confidentiality and commercial loyalty;
- Document 2 contains a commitment to social, environmental and ethical policies.

Both documents are publicly available and published online. They were updated in 2020 to include an email address to make it easier for suppliers to report any ethical breaches of which they become aware.

Buyers regularly remind their suppliers and subcontractors of the commitments they have made by signing documents 1 and 2. Signing both documents is a prerequisite for any partnership with a new supplier, and in particular a precondition for participation in a call for tenders and referencing. In other words, CSR criteria are systematically taken into account in the supplier selection process, and supplier CSR performance is monitored throughout the term of the contract. Similarly, the Group may consider terminating a supplier relationship in the event of a proven breach of Hermès' CSR requirements.

- b) Based on your definition of a living wage, have you begun to calculate its amount and what methodology do you use? If so, in which region(s) and across what scope (employees, freelancers, smallholders, etc. and/or suppliers' employees)? What sort of information do you publish on the matter?**

We finalised our living wage analysis in 2023 and it enabled us to confirm that the standards we apply to fixed compensation comply with local wage regulations and fully integrate the living wage level, thus offering each Group employee an overall compensation package that is rewarding, competitive and protective over the short, medium and long term.

We conducted this exhaustive analysis across all Hermès employees, covering all of the House's subsidiaries. We also used external benchmarks, in accordance with the provisions of the Adequate Minimum Wage Directive and the CSRD, to ensure the reliability and relevance of our conclusions.

- c) Have you identified any gaps between the minimum wage and the living wage? Can you describe any actions taken to implement a living wage? (e.g. developing internal management and training focused on a living wage; engaging with social partners and/or suppliers; improving purchasing practices; promoting freedom of association and collective bargaining, etc.).**

Our in-depth living wage analysis confirmed the importance we attach to employee compensation in all the countries in which we operate. This continued attention reflects our commitment to well-being and fairness for all our employees.

This is particularly illustrated by the components of the salary package, which reflect our short-, medium- and long-term approach to compensation in order to reward the contribution of each of the House's employees.

This year also saw a new plan for the allocation of free shares to all employees. The shares allocated were existing shares previously purchased by the Group for its employee share ownership plans. A €4,000 bonus was also paid to all employees worldwide in respect of 2023, demonstrating Hermès' commitment as a responsible employer and our policy of sharing the fruits of growth with those who contribute to it on a daily basis. Our policy aims to recognise and reward employees for their commitment and performance, while ensuring their financial well-being.

As part of our ongoing efforts to raise awareness of our global compensation policy among all employees, we have launched online training programmes for our managers on MyCampus, our e-learning tool. This initiative aims to heighten awareness of the group's approach to compensation across the community of managers. In addition, we are working to support the HR community already involved in the Group's living wage initiatives, to promote this vision on a daily basis at every stage of an employee's career with our House.

The Group's policy, for its own operations as well as for those carried out by its suppliers and subcontractors, is to enforce compliance with major international Human Rights principles. Monitoring of practices is primarily the responsibility of the *métiers* and their buyers, who are in direct contact with suppliers. The topics that are monitored closely include working conditions (hours, health and safety, compensation, right to organise and representation, disciplinary practices), risks of discrimination, forced labour, child labour, and, more broadly, living conditions (considering the local environment). Industry (for the packaging sector, for example) and geographical discussions are held to help identify the issues more precisely. When a subject is identified, it is discussed with the partner to help it understand why the topic is important to Hermès, examine possible improvement solutions and define an action plan with a view to securing a long-term relationship.

- d) How do you measure the implementation of living wages for your employees and suppliers? Please provide details of how any independent audits have contributed to monitoring.**

The analysis carried out on the living wage covers our entire workforce and is based on a rigorous and complete methodology. We performed a detailed review of the fixed components of compensation and the scope of our employees. This allowed us to accurately assess the current situation and ensure that our standards applied to fixed compensation comply with local salary regulations and fully integrate the level of living wages, the thresholds of which are determined by independent reference organisations.

We will be repeating this analysis at regular intervals to ensure that all our employees receive a living wage, particularly in the light of any changes in the reference thresholds. This initiative demonstrates our ongoing commitment to the well-being of our employees and to rewarding their individual and collective contribution.

- e) Have you identified any hurdles liable to prevent the payment of a living wage to your employees and your suppliers' employees (e.g. in countries with less stringent rights and regulations with respect to labelling)? If so, what do you do to overcome these hurdles?**

Hermès committed to complying with current regulations on working conditions and compensation many years ago. This commitment is applied in the same way in all the countries in which the House is present, without exception. Furthermore, the vast majority of our employees work in OECD member countries, where compensation is governed by a strict legal framework.

Hermès also ensures that compensation evolves each year, based on both our budget guidelines and trends observed in local markets. We thus aim to guarantee that all our employees receive appropriate and competitive compensation.

Regarding our suppliers, we again underline the fact that Hermès' artisanal model, in which 55% of products are made in exclusive, in-house workshops and 74% in France, relies on a network of suppliers based mainly in Europe, where social practices are stricter than in other countries. Hermès' exposure to the supplier risk is therefore reduced, especially since 58% of our top 50 direct suppliers are in France and 40% in other European countries. Two per cent of purchases are made in more distant countries, mainly for raw materials (e.g. exotic leathers), where strict control and monitoring are implemented.

Bonus question: Do you release the results of any studies you have conducted and have you established a whistleblowing system for your employees and suppliers?

We disclosed the results of our living wage analysis in our 2023 Universal Registration Document.

Employees and external stakeholders of the Hermès Group (suppliers, partners, etc.) who become aware of breaches (or potential breaches) of the Group's commitments and policies and/or applicable laws may report their concerns via the H-Alert! whistleblowing system. This platform can be accessed at:

<https://report.whistleb.com/fr/hermes-alerte>

Question 7

- a) **In France, how many funds are available to your employees through your employee savings schemes, excluding employee shareholding plans? How many and which funds available to your employees are labelled as socially responsible? (Please provide their name and the name of the relevant label.) What is the total value of assets invested per fund?**
Please also state the overall value of assets invested and the value of assets excluding non-labelled shareholding.
To help you answer, you may complete the table in Appendix 4.
On average, are the matching contributions offered to your employees through your labelled funds higher than the contributions provided for your other non-labelled funds, excluding employee shareholding?

All our employees in France are covered by a Group profit-sharing agreement which allows the value created to be shared with all and the amounts granted under this agreement, as well as those from incentive agreements, to be paid into the funds within the framework of the company savings plan. Employees can choose to invest in four funds as well as in the company's blocked current account (in accordance with the legal framework). Among these funds, they have access to the *Multipar Solidaire Oblig Socialement Responsable* fund that has earned the SRI, Finansol and CIES labels and which, depending on the personal choices of the employees who invest the amounts distributed as profit-sharing and/or incentive payments, accounts for approximately 12% of the amounts managed by the bank.

In addition to financial analysis, the other funds include non-binding environmental (E), social (S) and governance (G) criteria, known as ESG criteria, in the evaluation of companies or UCIs. They also exclude companies operating in sensitive sectors such as coal-fired power generation, and which do not comply with the sector-specific policies of the managing bank. Finally, ESG analysis is reinforced by an active policy of engaging with companies (individual and collective engagement, voting at general meetings).

In order to achieve the management objective of the employee savings plan funds, the investment process takes sustainability risks into account. Similarly, the funds undertake to invest at least 75% of their net assets in underlying UCIs that promote environmental or social characteristics in their investment process. The aforementioned percentage is calculated excluding the liquid assets held by the funds.

These funds comply with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").

Hermès' commitment is to monitor and assess the relevance of the funds offered and any changes to them in collaboration with the Human Resources and Finance Departments, and to provide full and regular information to employees to enable them to make informed choices. In this respect, the information campaigns carried out in 2023 on all the collective compensation and social welfare schemes – meeting with employees, including directly at production sites, Benefits Week in November – enabled the employees to familiarise themselves with these schemes and their management over time and to meet the banking, insurance and management partners.

Hermès does not offer a matching contribution for employee savings. A matching contribution is a financial incentive to invest in the Company Savings Plan and can therefore constitute a difference in treatment and fairness between employees who, for personal reasons, opt for the direct payment of their savings and those who choose to invest them in the Company Savings Plan.

The levels of profit-sharing and incentive payments made to employees reflect a long-term approach to sharing the value created, and are comparable to or even higher than those of companies of equivalent size, or CAC 40 or SBF 120 companies, taking the matching contribution into account, thanks in particular to the Group's profit-sharing agreement, which is more advantageous for employees than the compulsory profit-sharing calculation, and the incentive agreements in place in the vast majority of Group entities.

b) For any funds that are not labelled but which incorporate ESG criteria, please explain to what extent these criteria reflect a reliable, selective ESG approach. (Please indicate the selectivity rate and/or the theme of these funds.)

Do you and the social partners have any plans to increase the number of labelled funds over the next three years?

The funds proposed by Hermès for employee savings invested in the Company Savings Plan are designed to provide a balanced choice that allows employees to make their investments according to their risk appetite and investment horizon, while also giving them the opportunity to contribute to socially responsible economic projects. Through a choice that is both ethical and economic, the funds give priority to investing in the projects of French and European businesses.

We have selected the other funds from the managing bank in particular because, in addition to financial analysis, they include non-binding environmental (E), social (S) and governance (G) criteria, known as ESG criteria, in the evaluation of companies or UCIs. They also exclude companies operating in sensitive sectors such as coal-fired power generation, and which do not comply with the sector-specific policies of the managing bank. Finally, ESG analysis is reinforced by an active policy of engaging with companies (individual and collective engagement, voting at general meetings).

In order to achieve the management objective of the employee savings plan funds, the investment process takes sustainability risks into account. Similarly, the funds undertake to invest at least 75% of their net assets in underlying UCIs that promote environmental or social characteristics in their investment process.

In particular, all these funds comply with Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector ("SFDR").

In addition, it is important to note that Hermès' commitment to integrating ESG objectives and criteria into its

employee savings and supplementary pension schemes goes beyond the company savings plan. In fact, the funds invested by the House for the supplementary pension of its employees in France (a collective supplementary defined-contributions pension plan, 90% of which is financed by the employer) are fully invested in vehicles that adopt environmental, social and governance criteria. Of the three funds in the group pension scheme, two are SRI-certified and all three are classified as Article 8 funds under the SFRD regulation, meeting the thresholds for contributing to climate change mitigation and adaptation without compromising other environmental objectives.

This policy also applies to supplementary pension and/or retirement savings schemes in countries other than France, where the Group also aims to raise awareness and ensure that the funds offered in the framework of collective schemes integrate ambitious ESG objectives, in accordance with good market practices and in compliance with local regulatory requirements.

- c) How do you involve social partners in the process of choosing sustainable funds (e.g. training, experts to guide employees, time granted to social partners to review the choice of sustainable funds)? How do you involve social partners in the process of checking the sustainable commitment of funds (training for members of the supervisory board beyond the three days required by law, establishing an employee savings committee, etc.)?**

We regularly inform our partners and all our employees of any changes and the choices made, and this information is provided in a spirit of trust.

Our employees are free to express themselves and have a communication channel for employee savings and pension schemes, either through their representative bodies or directly with the Group's teams that manage these schemes. To facilitate this dialogue, including in addition to meetings with employee representative bodies, and in particular the Group Committee, a dedicated email address has been created within the Group Human Resources Department.

Governance

Question 8

The Board of Directors must be fully involved in the choices made to promote good tax citizenship (aligned with principles such as those of The B Team initiative) to ensure that the business's fiscal responsibility is in line with its social responsibility. Accordingly, the FIR expects that a public fiscal responsibility report - reviewed and signed by the Board of Directors and detailed country by country - exists and is aligned with Global Reporting Initiative (GRI) 207.

- a) Do you publish a charter detailing your commitments in terms of fiscal responsibility with respect to fiscal practices deemed unacceptable, tax havens, etc.? How often is this document reviewed and approved by the Board? How does the Board oversee the application of this charter?**

Each year, Hermès publishes all of its commitments in terms of fiscal responsibility in its Universal Registration Document under section 2.7.2 "Socially responsible company", which is approved by Executive Management, and in its tax policy, which is available on the website <https://finance.hermes.com/>.

In particular, the Group follows the recommendations of the GRI 207 reporting standard. The Hermès Group's tax strategy is based on the following principles:

- compliance by all Group companies with the regulations in force in the countries where our companies are located, meeting deadlines defined by applicable regulations in each country for filing the required returns and paying taxes due,
- income is taxable in the place where the income is generated, absence of creation of legal structures or transactions to meet a primarily tax-related objective,
- prevention of tax evasion with no use of tax evasion schemes or structures without substance.

This tax strategy is implemented by the Finance Directorate, which draws on internal (the tax department) and external expertise both in France and abroad.

The consolidated tax expense and rate are reviewed by the Audit and Risks Committee and the Supervisory Board when the half-year and full-year results are presented.

- b) Do you publish your fiscal reports country by country for all countries of activity, i.e. exceeding the standard requirements of the EU directive, which applies only to reporting for EU Member States and countries included in the list of non-cooperative jurisdictions? If not, please explain why. Does the Board discuss the distribution of taxes country by country?**

The Hermès Group describes its tax policy in the Universal Registration Document under section 2.7.2 “Socially responsible company”.

As mentioned, within the framework of our fiscal obligations, each year the Hermès Group files a transfer pricing statement to the French tax administration and a country-by-country statement, the Cross-Border Currency Reporting ("CBCR"). The CBCR is prepared in accordance with the recommendations of the OECD (as interpreted in French tax law). It gives rise to exchanges of information between the tax administrations of the countries in which the Group is established. In countries where exchange of information is not operational, the Group files a CBCR to the local tax authority.

With regard to the breakdown of taxes by country, we again underline the fact that the location of the Group's activities is chosen exclusively for operational reasons and fiscal aspects have no impact on this policy. This led to a consolidated tax rate of just under 28% in 2023, reflecting the fact that the Group's production is located in France. The consolidated tax expense and rate are reviewed by the Audit and Risks Committee and the Supervisory Board when the half-year and full-year results are presented. The rationalisation of the tax rate is set out in section 6.2 of the consolidated financial statements, which have been reviewed by the Audit Committee and approved by Executive Management (see the 2023 Universal Registration Document, chapter 5).

- c) Can you explain your effective tax rate for 2023? To what extent is this consistent with your commitments in terms of fiscal responsibility? Specific attention will be paid to companies with a particularly low tax rate (less than or equal to 20%) or a particularly high tax rate (around 30%).**

The Group's consolidated income tax expense amounted to €1,305 million at the end of 2023, i.e. a tax rate of 27.8% which reflects both the Group's tax policy (location of activities based exclusively on operational choices) and its business model (74% of products are manufactured in France, where the applicable tax rate in 2023 is 25.8%).

Question 9

Given that registration in the European Union Transparency Register and the Register of Interest Representatives compiled by the High Authority for Transparency in Public Life (HATVP) in France is mandatory, the FIR has access to your declarations (human and financial resources, area of interest).

We would like your answers to the following questions to focus on the lobbying you have conducted (head office, subsidiaries, professional associations, or consulting firms) with respect to Environmental, Social and Governance (ESG) issues. We would like to clarify how lobbying is aligned with sustainability targets and how your lobbying practices are integrated into your group's Corporate Social Responsibility (CSR) strategy.

- a) What are the main lobbying initiatives (e.g. Top 3) that you prioritise in keeping with your material ESG challenges? Please indicate all jurisdictions in which you conduct this lobbying?**

At European level, the activities carried out by the House in matters of public affairs over the past three years have focused on the following topics:

- Protection of consumers and intellectual property rights: reinforcement of the obligations applicable to online sales intermediaries (Digital Services Act, Directive on the security of networks and information systems "NIS2",

Directive on general product safety, Memorandum of Understanding on the sale of counterfeit products via the Internet), reform of the regulatory framework on designs or models, initiatives of the European Commission to ensure the protection of intellectual property rights in third countries;

- Competition law and the organisation of commercial activities: Digital Markets Act, Vertical Block Exemption Regulation;

- Environment: EU Strategy for Sustainable and Circular Textiles (and its variations), changes to the standards governing certain substances used in the production of leather and textile products.

Hermès International has not taken any initiatives of its own on human rights or corporate governance issues at the European level.

b) How do you ensure that your ESG targets are in line with the positions of professional associations? How do you deal with any potential discrepancies (e.g., by seeking to realign positioning of associations with your own ESG targets or brainstorming ways to leave a professional association that is clearly not compatible with your ESG strategy)? Do you publish any information on this alignment or cases in which positions differ?

Hermès International is a member of the following industry associations, which lobby institutional decision-makers on behalf of the collective interests of their members:

- Association française des entreprises privées (AFEP);
- Comité Colbert;
- Union des Fabricants (UNIFAB);
- Fédération de la Haute Couture et de la Mode (FHCM);
- Fédération des entreprises de la beauté (FEBEA);
- Fédération du Cristal et du Verre;
- European Cultural and Creative Industries Alliance (ECCIA).

Through our participation alongside the other members of each of these organisations in defining collective positions, the House actively promotes positions that are in line with its ESG objectives.

In addition, Hermès International has periodic contact with institutional officials, notably within the European Union, under the supervision of the Group's Legal Department.

Through these exchanges, we aim to identify and anticipate future regulatory changes that may affect our business lines. All these interactions are and have always been held in strict compliance with rules of ethics and transparency applicable to public affairs in force within the institutions concerned, and with the Hermès International Group's founding values. The Group has been entered in the EU Transparency Register since 2015, under the identification number 919484116074-16. As part of our interactions with European institutional leaders, the House is also assisted by a Brussels-based public affairs consultancy, registered in the EU Transparency Register under identification number 34100356706- 23, which is responsible for monitoring and consulting activities.

c) What role does the Board of Directors play in the application of your lobbying policy (e.g. lobbying activities, budget, meetings)?

Hermès International is a *société en commandite par actions* (partnership limited by shares). Therefore, and in accordance with the law, the Supervisory Board has limited powers. These powers are described in section 3.2.3 of the [2023 Universal Registration Document](#) and do not include lobbying.

However, the Supervisory Board, through its Audit and Risks Committee, regularly reviews the anti-corruption policy which sets out the rules governing lobbying.

d) Do you train people inside or outside the company (e.g. employees or consultants) in responsible lobbying? If so, what criteria do you apply in selecting the firms with whom you work?

The House does not have a team exclusively dedicated to public affairs action. Anyone who is likely to engage in activities that could be deemed to be lobbying, particularly in ESG areas, are required to follow a training course that includes e-learning modules on the prevention of market abuse and anti-corruption measures (which goes with the anti-corruption code of conduct).

Furthermore, the House carefully selects its external service providers and attaches particular importance to their reputation and the values they promote. In this respect, the ethical stance (compliance with regulations governing lobbying, absence of conflicts of interest, code of ethics and membership in leading professional associations, etc.) of our Public Affairs consultants has always been, and will remain, a material selection criterion.

Question 10

a) How many Board Directors have CSR expertise? Who are they and how did they acquire these skills (studies, training, professional experience)? Is their expertise specific to the challenges of your industry (biodiversity, energy transition, social issues, value chain, financial impact of climate change, etc.)? Do you publish a specific skills matrix for each Board member?

In terms of experience and expertise, the Supervisory Board has set the goal of retaining a range of skills covering each of the seven areas of expertise and experience that correspond to the major operational challenges facing the Hermès Group and to the main concerns that the Supervisory Board and its committees are required to review as part of their duties. These include CSR (see *“Diversity policy applied within the Supervisory Board”*, section 3.4.3 of the [2023 Universal Registration Document](#)).

In section 3.4.5.2 of the 2023 Universal Registration Document, Hermès International discloses the main areas of expertise of the members of the Supervisory Board:

Principaux domaines de compétences et d'expérience des membres du Conseil désignés par l'Assemblée générale ¹⁻²



1. Hors les membres du Conseil de surveillance représentant les salariés.
2. Sur la base des déclarations annuelles des membres du Conseil.

The “Human Resources/CSR” area particularly covers topics relating to:

- Social issues;
- Sustainable development and management of raw materials and supplies, as well as resource and waste management;
- Climate change and biodiversity.

Once again, these themes correspond to the Group’s main operational challenges, as highlighted in the non-financial materiality analysis carried out in 2023 (see section 2.1.3 of the 2023 Universal Registration Document).

As of 31 December 2023, nine of the 14 Supervisory Board members had expertise/experience in human resources/CSR (based on the certified declaration made by each member).

For each area of expertise, Hermès International specifies the criteria applied to validate it (see section 3.4.5.2 of the 2023 Universal Registration Document). For "Human Resources/CSR" expertise/experience, the expectations are as follows:

Human resources/Social issues	Degree in human resources, psychology or sociology. Experience in a human resources department or committee of listed companies dealing with these subjects. Experience as a manager
Sustainable development/Management of raw materials and supplies/Resource and waste management	Attendance at a training course covering these topics, including those offered by Hermès (water, sustainable forest, sustainable development, etc.). Experience in a sustainable development department or equivalent. Experience as a member of a CSR Committee for a listed company. Experience in sustainable development strategy
Climate change/Biodiversity	Attendance at a training course covering these topics, including those offered by Hermès (climate change, biodiversity, animal welfare, etc.). Significant contribution to sustainable development in the context of their activities or known for their promotion of sustainable activities in the economy in general. Experience as a member of a CSR Committee for a listed company.

Hermès International has chosen not to publish an individual skills matrix for its Supervisory Board members, but rather to detail the key skills of each member.

b) How do you ensure that Board members stay up to date with CSR issues (internal or external training, talks by independent experts, refreshers on the latest regulations and key themes, etc.)? How often?

In CSR matters, the Supervisory Board:

- Is informed, in particular through the CAG-CSR Committee, of the main challenges facing the company in the area of social and environmental responsibility and CSR performance;
- Regularly reviews, through the Audit and Risks Committee, social and environmental risks and opportunities and the measures taken to address them.

In addition, as part of its management control role, the multi-year strategic guidelines in terms of CSR and their implementation methods are presented to the Supervisory Board.

In view of this role, Hermès ensures that the skills required by its Board to carry out its duties are maintained and, where necessary, strengthened.

For this purpose, a comprehensive training programme has been developed for Supervisory Board members on environmental and climate issues. This programme is explained in detail in section 3.5.6.1.2 of the 2023 Universal Registration Document. Thus, all Board members:

- have access to training provided by the *Institut français des administrateurs* and particularly the course on "The Board and CSR";
- since 2023, have also had access to in-house e-learning training modules on "Climate change", "Animal welfare", "Biodiversity" and "The fundamentals of sustainable development", which they are encouraged to complete;
- are invited to take part in presentations organised jointly by WWF France and the Sustainable Development Department;
- attend a multi-year training programme on environmental and climate issues created in 2023 in collaboration with PWC. This programme is structured according to future European ESRS reporting standards.

In 2023, the training provided focused on the following topics:

Session 1 (60 min) 15 June 2023	Kick-off session: major political, geopolitical, regulatory and economic developments to date on the subject, presentation of major strategic regulations.
Session 2 (60 min) 23 November 2023	ESRS 1 and 2: general principles of CSRD/strategy/double materiality analysis: How a company should structure its CSR training in terms of strategy and governance. What is expected? Taxonomy (Part 1).

Lastly, during visits to production sites, Board members are given a presentation on the CSR challenges facing the site in question.

c) How do you assess the CSR skills of Board members? What are your assessment criteria? How often do you assess? Do you conduct individual or group assessments?

The members are the first assessors and are best placed to judge their skills. They therefore regularly request access to training courses and actively participate in those available.

Each year, Hermès International also reassesses the skills that the Supervisory Board members declare they have in their certified declaration.

The company also monitors training courses with great attention (attendance certificates, attendance sheets, etc.).

This theme of expertise is also an integral part of the Board's triennial evaluation process.

d) Is CSR part of your selection criteria when appointing new Board members?

As mentioned above, the Supervisory Board sets goals for changes in its membership in accordance with the diversity policy that it defines each year and which is described in the 2023 Universal Registration Document (see section 3.4.3.2). Through this policy, the Supervisory Board has set the goal of retaining a range of skills covering each of the seven areas of expertise and experience that correspond to the major operational challenges facing the Hermès Group and to the main concerns that the Supervisory Board and its committees are required to review as part of their duties, including CSR.

On 24 April 2024, the Executive Management received an email from the association *People for the Ethical Treatment of Animals* (« PETA »).

Please find below the answer from the Hermès Group to this written question.

Hello. My name is James Fraser, and I have a question for Mr Dumas on behalf of People for the Ethical Treatment of Animals. Last year, you stated that it's very important to Hermès to adhere to the "highest possible standards of animal welfare". PETA entities have proved that this goal is impossible to achieve. Ten exposés of the exotic-skins industries have revealed that workers regularly behead conscious lizards and skin live crocodiles.

In December, another PETA Asia investigation exposed that thousands of crocodiles bred to be killed for their skin spend their lives in cramped, filthy pools on a Thai farm. One crocodile was seen moving for a full 23 minutes after a worker plunged a metal blade into the animal's neck.

It makes no difference that Hermès doesn't source from this particular farm. This is standard industry practice. Your own animal welfare policy states, "The Hermès approach to animal welfare recognises animal sentience and the importance of providing opportunities for animals to have positive life experiences." Yet you continue to subject reptiles to a lifetime of suffering and a slow, agonising death.

Gen Zers and millennials are driving today's fashion movements, and they want sustainable and cruelty-free luxury. The luxury vegan handbags market alone is projected to more than double its value by 2030.

Given the desire for cruelty-free, sustainable luxury goods and the abhorrent cruelty inherent in the farming of crocodiles, lizards, and other animals used for exotic skins, why won't our company put stock in the wishes of its customers by finally washing its hands of this vile industry?

The Hermès Group respects the beliefs and sensitivities of everyone. The demand for absolute quality has been at the heart of the house's approach since its creation in 1837. Hermès is firmly committed to impeccable and uncompromising quality in all its sourcing, whether animal-based or not.

In terms of animal welfare, Hermès is committed to a multi-stakeholder collaboration and continuous improvement process, aiming to exceed strict compliance with laws and regulations. This self-imposed requirement applies the highest standards we implement in our sourcing. Our animal welfare policy is continuously updated to incorporate the latest scientific and operational advancements, which we work on with our NGO partners, veterinarians, and the scientific community.

Vertical integration, notably with our farming activities in Australia, is a choice made by the house for a sustainable and responsible approach and to ensure the highest quality standards throughout our supply chain. This approach ensures strict traceability of materials, fair working conditions, and the application of best practices in animal welfare.

The majority of the crocodile skins we use come from farms located in the United States, Africa, and Australia. All our partners must strictly adhere to the standards established by the UN's Washington Convention, aimed at protecting endangered species.

Currently, all our farms adhere to standards whose scientific criteria are defined by the International Crocodilian Farmers Association (ICFA) and undergo annual audits by the accredited third-party certification body BSI, in accordance with ICFA standards.

Our concrete commitments and their implementation differ significantly from the "industry practices" you mention, and we cannot be held responsible for the poor practices of a sector that we condemn and from which we do not source. Our uncompromising quality approach and consideration for animal welfare consistently involve the implementation of the highest industry standards and rigorous control of their application.

Since its creation, the house has never stopped innovating and exploring new materials that meet the house's

standards of excellence, combining aesthetics, functionality, and durability to continue offering objects designed to last, so that future generations can pass them on. Our research focuses on both natural materials and innovative materials of tomorrow, such as Vulcanium™, a new material derived from the recycling of leather scraps.

On 24 April 2024, the Executive Management received an email from Mr Antonio Pires, registered shareholder, containing several written questions in anticipation of the 2024 General Meeting.

Please find below the answers from the Hermès Group to these written questions.

To the executive management,

Many companies, particularly luxury brands, are diving into the art market through foundations. Hermès has always taken a different approach from others. Therefore, just as I believe luxury must now migrate and place humanity on the same level, if not higher, than the products offered, I recalled that the mythical Hermes was the proud representative of medicine. Thus, medical patronage would seem not only symbolic but also socially just and fundamentally humane.

I recall that in the past, great families built museums, universities, and hospitals.

After this preamble, here are my two questions:

Does Hermès plan to venture into medical patronage?

Is Hermès considering entering the hospitality industry, given its penchant for referring to its flagship stores as "Maisons"?

Best regards,

Antonio Pires

Does Hermès plan to venture into medical patronage?

Hermès places responsibility and sustainability at the forefront of all its actions and creations.

Attentive to its environment and true to its humanistic values, during the health crisis, the house was able to donate €20 million in 2020 and €7 million in 2021 to the AP-HP (Assistance Publique - Hôpitaux de Paris) in France, complemented by several local initiatives, including donations of masks and hand sanitizer. These donations primarily focused on emergency aid for hospitals in Seine Saint Denis and on financing the training of nursing assistants to become nurses.

The house is also involved in the Equiphoria program in France, which aims to manufacture and adapt riding saddles for people with disabilities, promoting therapeutic engagement in the activity. The work of this association is featured in a film from the "Empreintes sur le monde" series available on the website <https://finance.hermes.com>.

In 2023, the house carried out 388 projects amounting to €13 million, excluding skills-based philanthropy linked to the Foundation, half of which involved solidarity and health initiatives. Since 2020, a group donations and philanthropy committee has been responsible for monitoring and approving the projects that subsidiaries wish to support, ensuring the quality of the operations conducted.

Through its Corporate Foundation, Hermès enhances its philanthropic actions through artistic creation, education and transmission, solidarity, and biodiversity preservation. The group is a committed economic actor towards its ecosystem and stakeholders.

Driven by the house's humanistic values since its creation in 2008, the Foundation is committed to deploying its philanthropic actions in ways that set it apart in the corporate philanthropic landscape. It has indeed chosen to be more of an operator – or semi-operator – than a mere distributor, through the development of specific programs in the field of artistic creation, transmission of know-how, biodiversity preservation, and solidarity. Each of these programs allows the Foundation to act most effectively on the ground in response to targeted needs. Whether they are artists, project leaders, or simply students, the beneficiaries of these actions can thus experience very concretely how the Foundation contributes, on its scale, to building a better world.

Is Hermès considering entering the hospitality industry?

Through its 16 craftsmanship *métiers*, Hermès' mission is to create unique and original objects that elegantly satisfy the needs and desires of its customers. The house does not plan to expand into a new industry that is very different from its existing *métiers*.

The Executive Management
Hermès International