

Paris, 27 May 2024

6.00 pm

REPORT ON THE COMBINED GENERAL MEETING OF 30 APRIL 2024

**The Combined General Meeting of Hermès International was held on
Tuesday, April 30, 2024, at 9:30 a.m.
at the Salle Pleyel – 252, rue du Faubourg Saint-Honoré, 75008 Paris.**

Shareholders were able to follow the General Meeting in person and follow the meeting in its entirety via a live video webcast on the company's website:

<https://finance.hermes.com/en/general-meetings>.

The webcast of the General Meeting is available at the same address, in an e-accessible version.

The Combined General Meeting was chaired by Mr Éric de SEYNES, Chairman of the Supervisory Board. The following persons sat next to him on stage:

- Axel DUMAS, Executive Chairman,
- Henri-Louis BAUER, Chairman of the Management Board of the company Émile Hermès SAS, Executive Chairman and Active Partner, and
- Éric du HALGOUËT, Executive Vice-President Finance.

Julie GUERRAND, representing the company H51, and Jean-Christophe DUMAS, representing the company H2, shareholders representing the largest number of votes and present in the room, acted as scrutineers.

Amélie WATTEL, from the firm PRICEWATERHOUSECOOPERS AUDIT and Vincent FRAMBOURT from the firm GRANT THORNTON AUDIT, represented the College of Statutory Auditors.

Nicolas HUONIC, General Counsel corporate law and stock exchange regulations, Supervisory Board Secretary, acted as secretary of the meeting.

Stéphanie SCHAMBOURG, *commissaire de justice*, was present.

The quorums required by law in ordinary and extraordinary meetings were met, i.e., 86.51 % for all resolutions¹.

Shareholders were asked to vote on:

- the approval of the parent company's and the consolidated financial statements for the fiscal year 2023,

¹ For the 4th resolution ("Allocation of net income - Distribution of an ordinary dividend"), the quorum was 87.20%. This difference is explained by the fact that, in accordance with the provisions of the Articles of Association, the voting rights of the stripped shares are devolved to the bare owner for all resolutions except for the resolution relating to the allocation of net income, which is reserved for the beneficial owner.

- the appropriation of the earnings and the distribution, on 6 May 2024, of the remainder of ordinary dividend for the year (since an interim dividend of €3.50 per share was paid on 15 February 2024), that is €11.50 per share, plus the special dividend of €10.00 per share, resulting in a total dividend of €25.00 per share, compared with €13.00 the previous year,
- the approval of related-party agreements,
- Authorisation granted to Executive Management to trade in the Company's shares,
- the approval of total compensation and benefits of all kinds paid during or awarded in respect of the financial year ended 31 December 2023 to the Company Officers (global and individual *ex-post* votes),
- the approval of the compensation's policies for Executive Chairmen and Supervisory Board members (ex-ante votes),
- the reappointment of the terms of Supervisory Board members Matthieu DUMAS, Blaise GUERRAND, Olympia GUERRAND and Alexandre VIROS, for a period of three years,
- The appointment of PRICEWATERHOUSECOOPERS AUDIT as statutory auditors tasked with certifying sustainability information for a term of three financial years,
- the authorisation granted to the Executive Management to implement a share purchase and cancellation programme,
- delegations of authority to the management to intervene in the capital in various circumstances (financial delegations).

Prior to the beginning of the Annual General Meeting, shareholders present in the room were able to see a performance by Philippe BEAU and the contemporary trio Rouge, centered around the theme of shadows. They were also able to watch an animated film presenting the work of Geoffroy PITHON focusing on notable events and iconic objects from the year 2023.

The Chairman opened the General Meeting and warmly thanked the shareholders present, both physically or at a distance, for attending the General Meeting, before handing over to Henri-Louis BAUER.

Henri-Louis BAUER, Chairman of the Management Board of Émile Hermès SAS, Executive Chairman and Active Partner, welcomed the shareholders. He paid tribute to the memory of Bertrand PUECH, a member of the family who played an important role in the House's history, first as Director of the Faubourg Saint-Honoré store, before becoming Deputy Director in charge of Human Resources and then Chairman of the Management Board of Emile Hermès. He also emphasised two values dear to Hermès: independence and quality.

The film "*Pony Dance*" was shown.

Axel DUMAS, Executive Chairman, thanked all the shareholders for their loyalty.

He then presented an overview of the year 2023 and the strategy, noting that 2023 was an exceptional year for the company, in an unstable global context and an increasingly polarised market, reflecting the solidity of the artisanal business model, based on strong vertical integration and local roots.

Axel DUMAS began by describing the Hermès model of craftsmanship:

- The workforce has doubled in 10 years,
- More than 60% of new jobs are created in France,
- 74% of Hermès products are made in France,
- Revitalisation of the regions with 60 production and training sites in France,
- Increased operational investment of €2 billion over three years, of which more than 60% in France.

The film "Bienvenue dans nos ateliers" was shown.

Axel DUMAS then highlighted the abundant creativity of the year 2023, thanks to the talent of the teams led by Pierre-Alexis DUMAS:

- In the leather goods collection, with the *Arçon* bag, the *Della Cavalleria Elan* bag and the *Haut à Courroies Multipockets* bag,
- In men's and women's ready-to-wear,
- In the watch and jewellery sector, with the *Hermès H08* watch and Pierre Hardy's designs for the iconic *Chaîne d'ancre* and Kelly lines,
- In Perfumes and Beauty, with the launches of *Un jardin à Cythère* and *Tutti Twilly*, and the 5th chapter in beauty, *Le Regard Hermès*,
- In Silks, with the dynamic development of collection formats and designs,
- And finally, in the Home universe, which enjoyed great success in 2023, particularly at the Milan Furniture Fair.

The film presenting the work on the Vienna store was shown.

Axel Dumas also paid tribute to the excellence of the know-how and their transmission within the house, which continues to invest in its production capacities.

□ Development of production capacities

- Inauguration of the E4C2-certified leather goods workshops at Louviers and La Sormonne,
- Expansion of the Saint-Junien leatherworks in Haute-Vienne,
- 4 new leather goods workshop projects planned: Riom (Puy-de-Dôme) in 2024, l'Isle d'Espagnac (Charente) in 2025, Loupes (Gironde) in 2026 and Charleville-Mézières (Ardennes) by 2027,
- Increased investment in capacity across all business lines,
- Securing supplies, in particular by acquiring minority stakes in certain long-standing partners.

The film "Empreintes sur le Monde - Partenariat avec la coopérative de Vannerie de Villaines-les-Rochers" by Frédéric Laffont was shown.

□ An integrated, omnichannel and exclusive distribution network

- Continued operating investments,
- Extension of the network in the United States (Naples, Los Angeles Topanga and Aspen) and in China (Tianjin and Chengdu),

- Opening of a new e-commerce platform in Brazil,
 - Strengthening of the supply chain in all regions.
- ❑ Evolution of the number of stores (294 stores by the end of 2023, of which nearly three quarters are directly operated)
- ❑ A singular communication

Communications, Hermès' 17th *métier*, tells the Hermès story in an authentic, unconventional manner:

- Meet the craftsmen with *Hermès In The Making*,
- The *Heritage In Motion* exhibition dedicated to Hermès heritage, which took place in São Paulo,
- Discover the 16 *métiers* with events such as:
 - *Brides de galaxy* in London;
 - *Parade* in Seoul;
 - *Petit h* in Beijing and Osaka.

The film "Saut Hermès", has been shown.

Axel DUMAS also presented the responsible and sustainable approach of the Maison.

- ❑ An ambitious CSR strategy
- The Group is pursuing its commitments to sustainable and responsible growth through its climate strategy, strong regional roots and the development of responsible supply chains, in particular:
 - Reduction of emissions between 2018 and 2030, validated SBTi (- 50.4% in absolute value scopes 1&2, - 58.1% in scope 3 intensity),
 - Implementation of the Animal Welfare Policy for all animal sectors,
 - Deployment of diploma-level training programs,
 - Training 100% of employees in biodiversity/CSR by 2025.
- ❑ Employment and responsibility
- Hermès is also pursuing its commitments as a responsible employer,
 - In 2023, Hermès added nearly 2,400 people to its workforce, including 1,400 in France,
 - In early 2024, the Group paid a new bonus of euros 4,000 to all employees worldwide,
 - In France, Hermès will pay out €450 million in respect of the 2023 incentive and profit-sharing scheme, the exceptional sharing bonus and bonus share charges,
 - In-house training programmes continued with the deployment of the *École des Artisans de la Vente* and the opening of a new Apprentice Training Centre at the *École Hermès des savoir-faire*,

- Hermès continued its efforts to promote inclusion and diversity with the creation of a network of international referents, which aims to cover 100% of the Group's workforce,
- Hermès now has 7.12% disabled employees in France, exceeding legal requirements,
- Hermès signed a group agreement on the reconciliation of work and life (carers, parenthood and vulnerability).

□ Workforce breakdown by division

- The Group is maintaining a balanced approach to growth, with a stable breakdown by sector, with a balance between production and sales,
- 20% of employees are under 30,
- 10% of employees are over 55.

□ Workforce breakdown by region

- The geographical breakdown of the workforce reflects the highly integrated nature of our production facilities, with 62% of employees based in France,
- Women are strongly represented, accounting for 68% of all employees, 60% of management bodies and 40% of the Executive Committee by the end of 2023.

□ Commitment to the climate and the preservation of natural resources

- Environmental ambitions in line with COP 21 and with a warming trajectory of less than 1.5°C validated by SBTi,
- Reduction by 49.6% of scopes 1 and 2 emissions in absolute value in 2023 vs 2018,
- Reduction by 51% of industrial energy consumption in intensity between 2019 and 2023,
- 52.2% reduction in Scope 3 intensity,
- Certified standard for high environmental performance real estate,
- Commitment to the Science Based Targets for Nature (SBTN) approach since 2023, in order to establish scientific targets for the preservation of biodiversity,
- Publication of the Forests policy,
- Water management,
- In-depth life cycle analysis on 100% of the company's most emblematic products by 2025,
- Engagement for eco-design, reusing and recycling across our entire value chain.

A film presenting the 2024 Livelihoods Day, which brought together more than 30 NGOs and over 1,000 participants, was shown.

- ❑ Close to the territories and communities
 - Hermès' business model is highly integrated and rooted in local communities,
 - Strengthening of the Supplier Code of Conduct,
 - Sustainable development of supply chains: 66 raw materials covered by the Supply chain brief,
 - €293 million of purchases contribute to the development of socially supported organizations and priority regions, 44% of which are made from SMEs,
 - Up to 5 days of community service per year for each employee.
- ❑ Fondation d'entreprise Hermès and corporate philanthropy actions
 - New five-year commitment (2023-2028) with a budget of €61 million,
 - Nearly 400 solidarity initiatives around the world in the fields of education, solidarity, health and environmental protection, totalling €13 million.

A film about the Manufacture de Louviers was shown.

- ❑ Recognition of the excellence of the artisanal model
 - Hermès' extra-financial ratings continued to improve:
 - 'AA' rating from MSCI,
 - Ranked 2nd in the Textiles and Clothing and Luxury Goods sectors by Sustainalytics,
 - Inclusion in the CDP "A list", which places the company among the 330 companies judged to be the best performers worldwide on environmental issues.

Axel Dumas then presented the 2023 business plan:

- ❑ Sales reach 13.4 billion euros
 - Sales up 21% year-on-year at constant exchange rates,
 - In 2023, sales growth is remarkable in all geographic regions, with all posting growth of around 20%,
 - The breakdown of sales by geographical area remains stable year-on-year,
 - At the end of December 2023, all business lines confirmed their strong momentum,
 - The change in the breakdown of *métiers* reflected in particular the dynamic performance of clothing and accessories,
 - Leather Goods continued to grow in line with its objectives.

A film on hand-painting was shown.

Éric du HALGOUËT, Executive Vice-President Finance, presented the 2023 consolidated accounts:

- ❑ Excellent results this year:
 - Sales up 16% to 13.4 billion euros
 - Operating profit before non-recurring items up 20% to 5.7 billion euros,
 - Net profit up 28%,
- ❑ Sales growth at constant exchange rates of 21% is, as in 2022, particularly virtuous, with a price effect of around 7%,
- ❑ Communications expenditure exceeded €600 million,
- ❑ Administrative and commercial expenses, which include in particular payroll costs for sales staff and support functions, as well as variable rents, amounted to €2.6 billion,
- ❑ Current operating profitability reached its highest historical level at 42.1% of sales, an exceptional level that represents an improvement of more than one and a half points compared with 2022,
- ❑ The tax charge amounted to €1.6 billion, representing an effective tax rate of 27.8%,
- ❑ Net profit amounted to €4.3 billion, an increase of 28% compared to 2022,
- ❑ The Group accelerated its investments in the second half of the year to €859 million in 2023,
- ❑ Adjusted net cash position increased by €1.4 billion to €11.2 billion at the end of December 2023. It represents more than 50% of total assets, while shareholders' equity, at more than 15 billion euros, representing 75% of liabilities.

Éric du HALGOUËT concluded his speech by saying that *"the Group has consolidated a solid financial structure, enabling it to maintain its independence and pursue its long-term strategy"*.

Axel DUMAS speaks again to share the results of the first quarter of 2024:

- ❑ Strong sales growth in Q1 to almost €3.8 billion (+17% at constant exchange rates),
- ❑ At the end of March 2024, all geographical areas are growing at double-digit rates and all business lines are showing good dynamics.

To conclude, Axel DUMAS presented the 2024 perspectives, unchanged, and confirmed the continuation of investments and job creation.

- ❑ The theme of the year 2024 is the year of the Faubourg

"This place, the fruit of a dream, that of Emile Hermès, is the beating heart of the House. It is everywhere where Hermès is found and instills fantasy, effervescence and the entrepreneurial spirit dear to the house".

- Continued drive to create multi-local, multi-skilled jobs,
- Continued support for suppliers,
- Continued investment in production capacity,

- Development of the distribution network, with store openings and expansions,
- Strengthening upstream and downstream vertical integration and links with our long-standing partner in the Middle East.

A film about the emblematic Maison du Faubourg, made with Jessica von Bredow-Werndl, world and Olympic champion dressage rider and Hermès partner, was shown.

The Chairman thanked Axel DUMAS and Éric du HALGOUËT for the quality of their presentations and, on behalf of the shareholders, thanked all the Hermès Group employees who had worked together to achieve the results of this exceptional year.

The Chairman added that *"all the divisions, all the sectors, all the regions, all the workshops, all the designers contributed to this tremendous growth, which largely exceeded the objectives we had set ourselves. Everyone's commitment reflects a deep attachment to the responsible and respectful business model of the Hermès house"*.

The Chairman also thanked the Executive Management and the members of the Executive Committee *"for their talented management of our beautiful company, while respecting its fundamental values, its unique identity and its principles"*.

Finally, the Chairman expressed his gratitude to the shareholders for their loyalty and unfailing support: *"we are aware of the strength of the relationship between us, and I wish to thank you warmly"*.

The President then proceeded to the presentation of the main resolutions submitted to the vote of the Assembly.

In particular, the following were presented:

- The proposed ordinary and extraordinary dividend of €25.00 per share,
- The actual remuneration of corporate officers paid during or awarded in respect of the 2023 financial year (ex-post votes), all in line with the remuneration policies approved by the Annual General Meeting,
- The renewal for three years of the terms of office of four members of the Supervisory Board, whose terms are due to expire,
- Appointment of the statutory auditor tasked with certifying sustainability information for a term of three financial years,
- Renewal of the authorizations given to the Managing Partners to buy back shares up to a limit of 10% of the share capital, with the option of cancelling them,
- and Renewal of the authorization given to the Managing Partners to make bonus allotments of existing ordinary shares in the Company.

The Chairman then referred to the Supervisory Board's report on corporate governance, as well as the Supervisory Board's report to the Combined General Meeting, and gave the floor to the Statutory Auditors, who expressed an unqualified opinion with no observations on the Company's consolidated and annual financial statements.

Before opening the question-and-answer session, the Chairman informed the meeting that the Company had received 13 written questions from three shareholders, in the form and within the timeframe required by law. The answers to these questions are the responsibility of the Managing Partners.

These questions mainly concerned the environmental, social and governance issues related to Hermès' activities. More specifically, they concerned the House's commitments to the Paris Agreements, biodiversity, animal welfare, medical sponsorship and the involvement of employee representatives in CSR issues. In accordance with current regulations, the answers provided by the Managing Partners to these questions are published on the company's website:

<https://finance.hermes.com/en/general-meetings>.

During the discussion in the room, the main topics addressed (apart from those already covered in the written questions) were as follows:

- The organization of site visits for individual shareholders and the creation of a shareholders' club,
- Animal welfare,
- Development projects in the cosmetics sector,
- Split of the nominal value of the share,
- Employment of disabled employees,
- Determinants of Hermès' success.

Lastly, votes were cast using electronic voting terminals.

Their operation and the smooth running of the entire meeting were monitored by Stéphanie SCHAMBOURG, *commissaire de justice*.

The detailed voting results show that the 20 resolutions, including 3 extraordinary resolutions, were adopted by a very large number of votes.

These results are available on the website:

<https://finance.hermes.com/en/general-meetings>.

The General Meeting ended with these words from the Chairman: "*We thank you once again for attending in such large numbers, and we look forward to seeing you again next year, on April 30th, 2025, in this same place*".