



Environmental Policy of Hermès Group Sites

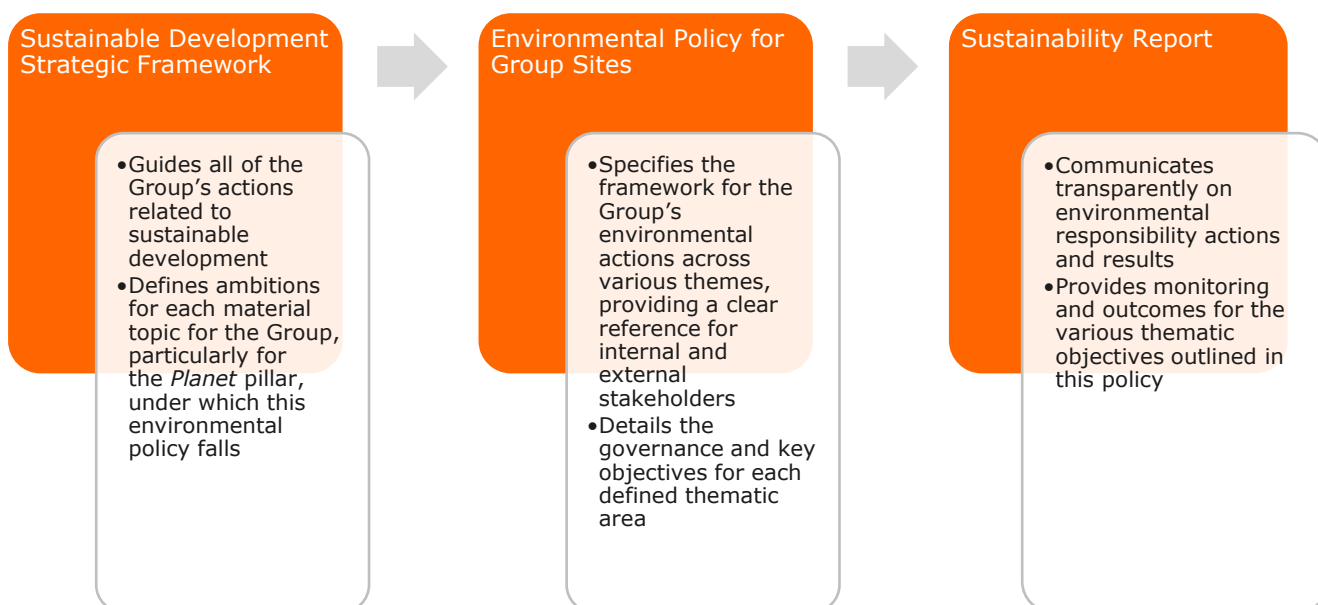
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Context, Scope, and Framework of Application

This environmental policy outlines the main environmental commitments made by Hermès for the sites and activities under its direct control. The scope includes industrial, logistics, and tertiary sites (such as offices and other administrative spaces), as well as stores¹.

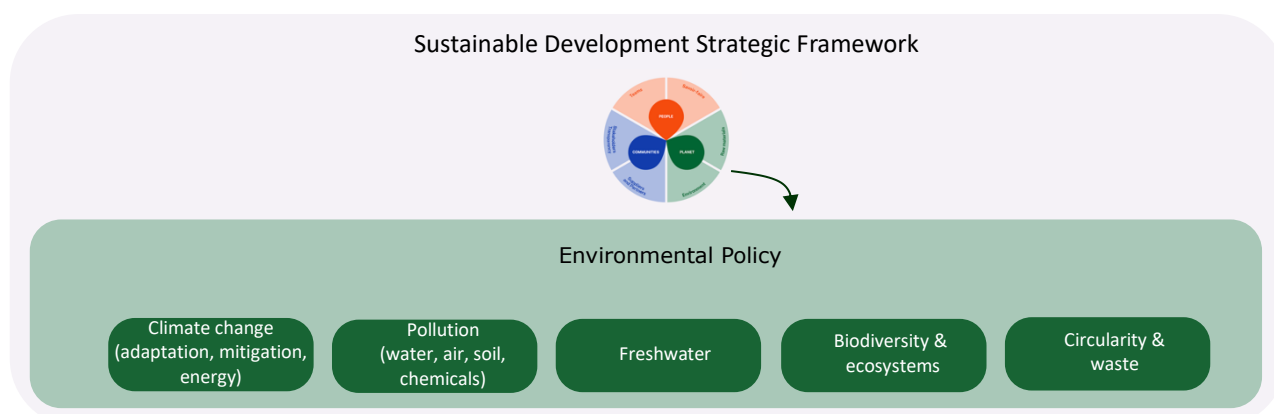
This policy is fully aligned with the Sustainable Development Strategic Framework defined by the House in 2015 and updated in 2020². It aims in particular to clarify the ambitions of the "Planet" pillar, relying on regulatory obligations while integrating environmental preservation principles at the core of the Group's activities.

Hermès' annual Sustainability Report is a key regulatory document that communicates the actions undertaken under this policy and the results achieved.



Environmental topics related to Hermès' value chain (raw materials, supply chains, distribution, and end-of-life of products) are not covered by this document. Hermès' actions on its value chain are formalized through other documents, notably the responsible purchasing policy, supply chain briefs, and CSR guidelines. These documents set the framework for action and define the Group's objectives and expectations for its suppliers on several topics, including certification, carbon trajectory, water consumption reduction, and plastic usage.

This environmental policy describes the governance, scope, main commitments, and specific objectives for each of the thematic areas listed below.



¹ branches, excluding concessionaires and travel retail

² Hermès Sustainable Development Strategic Framework


The Hermès Group's environmental policy is based on five thematic areas and several guiding principles:

- Ensure compliance of all Group sites with applicable national and local environmental regulations and anticipate changes whenever possible.
- Commit resolutely to a low-carbon future, pursue science-based targets, and implement actions to limit global warming to 1.5°C.
- Respect natural resources and prioritize the best available techniques and the most environmentally friendly substances.
- Manage water resources responsibly and sustainably: reduce consumption and withdrawals (recycle and reuse water), especially in areas with high water stress, and improve the quality of discharges.
- Control energy resources by reducing energy consumption and favoring the use of renewable energy sources.
- Reuse materials and objects, reduce waste production, and recover waste as much as possible.
- Increase the resilience of the Hermès model to environmental changes (primarily climate-related) by studying their effects, staying informed, and collaborating with all partners.

Furthermore, to enrich its approach through continuous improvement, Hermès closely monitors regulatory developments (the Group's industrial activities are almost exclusively operated in Europe, where regulations are among the most stringent in the world), voluntary standards, and scientific advancements, particularly the principles and recommendations of international frameworks.

The table below shows how the thematic areas of this environmental policy align with various international frameworks:

	UN Global Compact & SDGs	Global Reporting Initiative (GRI)	GHG Protocol	Task Force on Climate-related Financial Disclosures (TCFD)	Task Force on Nature related Financial Disclosures (TNFD)	Science Based Targets (SBTs)
Climate change (adaptation, mitigation, energy)						SBTi
Pollution (water, air, soil, chemicals)						SBTN
Freshwater						SBTN
Biodiversity and ecosystems						SBTN
Circularity and waste						

 Thematic covered by the international framework

Governance

The environmental policy for the Group's sites is upheld at the highest level of the organization, overseen by the Executive Committee and supported by three of its members: the Executive Vice-President Manufacturing Division & Equity Investments, the Executive Vice-President Corporate Development and Social Affairs, and the Executive Vice-President Sales & Distribution. It is coordinated in particular by the Group Industrial Department, the Group Sustainable Development Department, the Group Real Estate Department, the Group Hermès Services Department, and the Commercial Department.

This top-level governance ensures that environmental issues are integrated into the company's long-term vision and are operationally addressed by the teams.

The various departments are responsible for driving this environmental policy, ensuring its operational implementation, monitoring progress regularly, adjusting actions based on needs and results, and disseminating best practices throughout the organization.

The Sustainable Development Board brings together directors from the Group's main central functions and integrated divisions. It oversees the achievements of the CSR approach and identifies matters requiring decisions by the Executive Management and the Executive Committee. Dedicated committees and working groups are also organized for each of the thematic areas.

Thematic Areas

Hermès has been working for many years to manage its environmental impacts within its sphere of direct control, adopting a proactive and responsible approach. To ensure the relevance of its efforts and to account for the diversity of situations within a House encompassing 16 métiers, each topic is addressed through a participatory approach that mobilizes internal networks. The management of these thematic areas is entrusted either to a functional department or to a dedicated working group. These thematic areas cover the impacts, risks, and opportunities identified as material during the double materiality assessment conducted by the Group as part of the sustainability report aligned with the CSRD (*Corporate Sustainability Reporting Directive*).

Climate change (Adaptation, Mitigation, Energy)

Context

Hermès acknowledges the urgency of addressing the global challenge of climate change. With a responsible and long-term approach, Hermès understands the impact its operations have on the environment and society. The Group's strategy aims to mitigate climate change by reducing its greenhouse gas (GHG) emissions in line with the Paris Agreement, and to adapt to the effects of climate change by analyzing climate-related risks and opportunities (both physical and transitional).

This strategy is embodied in the Group's Climate Transition Plan, first published in July 2023 and updated in 2025. The plan establishes clear responsibilities by entity and métier, is integrated into the Group's overall strategy and financial planning, considers both short- and long-term aspects, and emphasizes actionable measures. It covers direct operations and the entire value chain and is regularly updated. The document is available online on the Group's website under the title: "Hermès Climate Transition Plan."³

Hermès has made public and concrete commitments to reduce its GHG emissions based on science. These targets have been validated and published by the Science Based Targets initiative (SBTi). For Hermès sites, this translates into a direct emissions reduction pathway aligned with a 1.5°C scenario by 2030. Work is ongoing to define a long-term emissions reduction trajectory aligned with Hermès' ambition to contribute to carbon neutrality by 2050. Hermès sites are also committed to reducing indirect emissions within their sphere of influence by 2030 and 2050, including impacts from building construction/renovation, procurement of consumables, employee commuting, and waste generation.

Hermès has also established an internal carbon price to compare different equipment and technical solutions (industrial and real estate) on a notional basis. Since December 31, 2022, this price has been set at €40 per ton of CO₂e.

In addition, Hermès uses carbon credits focused on nature-based solutions, such as natural carbon capture (e.g., tree planting) or avoidance mechanisms, through the implementation of large-scale projects.

Climate-related risks and opportunities are identified by Hermès over the short, medium, and long term, using various climate scenarios and site-specific analyses. Hermès bases its climate adaptation approach on the identification of physical and transition risks as defined by the TCFD. The various studies conducted by Hermès help identify material physical and transition risks, along with associated resilience actions.

The Group's climate-related actions are part of a broader response to environmental challenges and are closely linked to initiatives and commitments under other themes such as "Biodiversity & Ecosystems" and "Circularity & Waste."

Governance

The Climate Transition Plan provides a detailed description of the governance structure and resources deployed by the Group for climate change mitigation and adaptation.

Key Objectives

- Reduce absolute Scope 1 and 2 emissions by -50.4% between 2018 and 2030, notably through energy monitoring and efficiency measures, and by promoting low-carbon energy sources.
- Reduce Scope 3 emissions intensity by -58.1% between 2018 and 2030, including a 50% reduction in the carbon footprint per m² of constructed or renovated buildings over the same period.
- Develop a long-term emissions reduction pathway aligned with carbon neutrality by 2050.
- Phase out fossil fuels from industrial sites by 2030, except in cases of proven technical constraints.

³ [Hermès Climate Transition Plan](#)

- Achieve 100% renewable electricity in own operations by 2025 and 100% renewable energy by 2030, through renewable energy purchase agreements and self-generation.
- Update the physical risk assessment for 100% of industrial sites and as many logistics, office, and retail sites as possible by 2025, to enhance Hermès' resilience to environmental risks.

Stakeholders

Internally, the Group's Industrial, Commercial, and Services Departments lead the Scope 1 and 2 emissions reduction plan in collaboration with Métiers and site teams. The Group Real Estate Department leads efforts to reduce the footprint of constructed or renovated spaces. Stakeholders involved in decarbonizing other Scope 3 categories related to Hermès sites (e.g., purchased consumables, business and commuting travel, waste) are detailed in the Climate Transition Plan.

Hermès also prioritizes transparency and alignment with industry standards by presenting its actions in accordance with the TCFD framework, responding to the CDP Climate questionnaire (receiving an A rating in 2024), and participating in sector initiatives such as the UNFCCC Fashion Industry Charter for Climate Action.

Pollution (water, air, soil, chemicals)

Context

Hermès' policies on pollution prevention and control aim to manage and minimize their impact on the environment—whether on soil, air, or water. Hermès ensures regulatory compliance of its products in all countries where it operates.

In practical terms, Hermès implements processes to manage various types of pollution within its operations. Since the environmental impacts of tertiary activities and retail stores are not considered material, the Group's priority actions focus on the industrial perimeter:

- **Industrial wastewater discharges:** Hermès monitors the destination of its wastewater discharges in coordination with local water treatment systems and authorities. It tracks quality parameters to ensure environmental compliance and protection of receiving environments⁴ and implements processes and technologies to continuously reduce pollutant loads⁵ and improve discharge quality. This includes developing on-site wastewater treatment plants (WWTPs) and measuring effluent quality. In most cases, residual water is then treated by municipal WWTPs.
- **Air emissions (excluding greenhouse gases):** Air emissions from industrial sites are linked to the operation of furnaces, boilers, surface treatment activities, dry degreasing, spray booths, and the use of solvent-based products. Depending on the activity and applicable regulations, industrial sites measure and analyze emission parameters and implement reduction or treatment systems. It is important to note that air pollution impacts and risks are very limited and not significant given the Group's activities.
- **Soil pollution:** While this issue may exist within Hermès' value chain, it is not covered by the scope of this policy. However, it is addressed through specific action programs with the Group's suppliers.
- **Chemical and input material management:** Each site implements a chemical management procedure that defines rules for the entry of chemical substances (including bans or restrictions on certain substances and safety data sheet reviews), stock management procedures, usage protocols in processes, and end-of-life handling in compliance with applicable regulations. The goal is to prevent chemical risks while limiting or prohibiting the use of substances of concern. Regular and thorough audits conducted across all Hermès entities, along with appropriate product control frequency, ensure compliance with existing chemical regulations (notably REACH).

Additionally, for input materials and semi-finished goods, Hermès adheres to the strictest international standards by requiring compliance with its annually updated "Restricted Substances List", which outlines all substance requirements, limits, and laboratory testing methods. Regular compliance checks are conducted on incoming materials and finished products, including testing, audits, and blocking in case of non-compliance

Governance

The Group Industrial Department leads pollution-related topics (water, air, soil) and chemical management in collaboration with industrial sites. Strategic elements are validated, and progress is monitored by the Sustainable Development Board.

⁴ Receiving environment: an aquatic ecosystem or aquifer into which wastewater—treated or untreated—is discharged. A receiving environment generally corresponds to a section of a water body or a recharge area of a water mass.

⁵ Pollutant load reduction: the set of techniques and processes applied to decrease the quantity or concentration of pollutants in a given ecosystem.

Each métier develops action plans and submits investment proposals to the Group Industrial Department. Major investments are validated by the Executive Committee. Daily monitoring and management of pollutants are carried out at the industrial site level, with HSE⁶ representatives actively involved. The WWTP network, coordinated by the Group Industrial Department, supports sites in implementing these initiatives operationally.

The Audit and Risk Department conducts audits on critical topics identified in the Group's risk mapping.

Key Objectives

- Define new indicators and targets for each site regarding effluent quality, based on science and aligned with efforts to reduce freshwater pollution pressure, and pursue certification schemes adapted to each site's activity where possible.
- Significantly reduce the use of substances of very high concern in processes and their presence in products by implementing substitution actions where feasible or discontinuing certain productions if necessary.

Stakeholders

Sites work with numerous local stakeholders during the setup of new facilities and throughout the lifecycle of installations. These include water agencies, local resident associations, and regulatory bodies, who are regularly involved.

Furthermore, given the importance of chemical management to its operations, Hermès Cuir Précieux joined the ZDHC (Zero Discharge of Hazardous Chemicals) initiative in August 2021.

⁶ HSE: Health & Safety, Environment

Freshwater

Context

Water is an essential resource for Hermès, playing a key role in several aspects of its production processes. Managing water withdrawals and consumption is a shared objective across all métiers of the House, in response to local, national, and global environmental challenges. Hermès focuses its efforts on water withdrawals, as the products manufactured and sold do not contain water in their composition—except for certain cosmetic products. Although its water withdrawals are moderate, the Group continues to actively work on reducing and optimizing them, with a focus on sustainability and responsibility. Withdrawals fall into three categories: for tertiary activities, for production, and for agricultural use on farms. It is important to note the significant difference between the volume of water used for industrial and agricultural purposes (industrial sites and farms) and the volume of potable water used at tertiary sites and stores for sanitary purposes. As a result, the Group has focused its commitments on the most material aspects, concentrating on reducing water withdrawals for industrial use, which represent the most significant impacts and risks.

Governance

The Group Industrial Department leads water-related topics in collaboration with industrial and agricultural sites. Objectives are validated and progress is monitored by the Sustainable Development Board. Each métier develops action plans and submits investment proposals and resource requirements to the Industrial Department to meet the Group's objectives. Major investments—such as new wastewater treatment plants and water reuse or recycling projects—are validated by the Executive Committee.

- The Industrial Department, along with its HSE⁷ representatives, conducts first-level controls as part of a “Water, Energy, Carbon” plan.
- The Audit and Risk Department conducts audits on critical topics identified in the Group's risk mapping.

Key Objectives

- Continue decoupling industrial water withdrawals from business growth.
- Reduce industrial water withdrawals by 5% per year in intensity (m³ per million euros of revenue, at constant perimeter) from 2018 to 2030, with increased focus on sites located in water-stressed areas.
- Define site-specific targets for water withdrawals, based on science and aligned with efforts to reduce water resource overexploitation pressure, and pursue certification schemes adapted to each site's activity where possible.

Involved Stakeholders

Farms, tanneries, textile sites, and the Group Industrial Department are the main internal stakeholders involved. Site management teams already collaborate with numerous local stakeholders during the setup of new facilities and throughout the lifecycle of installations. However, Hermès aims to implement a broader multi-stakeholder approach, co-developing water management and discharge quality initiatives with external stakeholders such as regional authorities, municipalities, water agencies, and professional associations.

In addition, Hermès has been responding for several years to the CDP Water questionnaire, which includes a dedicated water module. Hermès' water-related policies and achievements received a score of A in 2023 and A- in 2024.

⁷ HSE: Health & Safety, Environment

Biodiversity and ecosystems

Context

Maintaining an environmental framework that supports life and business development requires the protection and preservation of biodiversity. Hermès is committed to biodiversity protection within its direct sphere of responsibility, its broader sphere of influence, and through voluntary commitments beyond its economic influence.

Hermès recognizes the Kunming-Montreal Global Biodiversity Framework, particularly Target 15, which calls for the assessment, monitoring, and disclosure of biodiversity-related risks, dependencies, and impacts across value chains, the provision of information to consumers to promote sustainable consumption, and alignment with regulations and benefit-sharing mechanisms related to biodiversity.

Hermès aligns its biodiversity actions with major international frameworks such as Act4Nature International (since 2018), TNFD, and SBTN, to support the global goals defined by the Kunming-Montreal Framework.

By identifying its nature-related risks and dependencies and understanding the interconnections between its value chains, nature, and climate change, Hermès is strengthening the integration of these issues into its operations. Through the calculation of its biodiversity footprint and the implementation of concrete reduction actions, Hermès aims to ensure the sustainable use of nature, maintain ecosystem services, and seize related opportunities. Since 2022, the Group has relied on scientific footprint assessments using the GBS (Global Biodiversity Score) methodology, developed in collaboration with CDC Biodiversité. Hermès has also developed a “Nature Master Plan” to structure both existing and new actions aimed at reducing the impact of its sites on key biodiversity pressures.

Biodiversity preservation around Hermès sites is intrinsically linked to climate issues, land artificialization, water management, and pollution—these being the main pressures on ecosystems. As such, Hermès’ work on biodiversity and ecosystems includes not only specific measures (e.g., those integrated into the Harmonie real estate framework) but also actions stemming from other thematic policies, in order to adopt a comprehensive and integrated approach. This strategy highlights the deep interconnections and interdependencies between these environmental challenges, aiming to strengthen ecosystem resilience while responding coherently to global environmental issues.

Governance

Biodiversity-related topics are overseen by the Executive Committee, supported by the work of the Sustainable Development Board. The Sustainable Development Department leads the biodiversity strategy, which is then implemented across all operational departments. Each métier develops action plans and submits investment proposals to the Industrial, Commercial, and Services Departments. This issue is also supported by a dedicated expert on the Supervisory Board. The Group also works with external experts and partners with specialized NGOs such as WWF.

Key Objectives

- Train 100% of employees on biodiversity by the end of 2025.
- Conduct a biodiversity assessment at major French production sites by the end of 2025 to initiate action plans.
- Continue progress on SBTN (Steps 1 and 2 completed), with Step 3 to be implemented at several Hermès sites by 2026.

Stakeholders

To bring this approach to life, Hermès involves its employees, suppliers, and other external stakeholders, favoring a territorial approach. The Group signed a partnership agreement with WWF France, launched in 2016 and renewed in 2020 and again in 2023 for three years. Hermès is also a member of the Laboratoire Capital Naturel and supports the development of strong sustainability frameworks such as SBTN. The Group joined the SBTN Corporate Engagement Program in 2023. Finally, Hermès collaborates with CDC Biodiversité through its participation in the B4B+ Club’s working

groups on value chains and biodiversity credits/certificates, contributing to the ongoing dialogue on biodiversity footprint methodologies.

Circularity and Waste

Context

Since its founding, Hermès has aimed to offer durable, desirable objects with long lifespans, following an eco-design approach. The Group is committed to sustainably developing its supply chains and integrating circular economy principles into its integrated artisanal model.

While the quality of raw materials and manufacturing excellence ensure physical durability, the quality of design and the often timeless nature of the collections ensure the desirability of the objects—and thus their longevity.

The Group's actions aim to preserve resources from creation to end-of-life. Hermès' ambition is to systematize resource circularity, both within and across métiers. To this end, the Group is developing circular alternatives—reuse, repair, recycling—by engaging all its métiers and partners. The Group generates both hazardous and non-hazardous waste, primarily from industrial sites and farms, while waste from tertiary sites and stores remains marginal.

Within its direct sphere of control, the Group's circular economy strategy focuses on optimizing material and consumable use, circular manufacturing, waste management within operations, and end-of-life management of products.

Improving packaging circularity and reducing plastic waste are also key components of this circular economy policy.

Governance

Given their strategic importance, circular economy topics are overseen at the highest level of the organization by the Executive Committee, to ensure consideration of creative, industrial, collaborative, and brand image aspects.

Environmental footprint and eco-design topics are supervised by the Sustainable Development Board and implemented by operational bodies to remain closely aligned with technical realities. The Board also closely monitors the issue of unsold goods, ensuring compliance with the AGEC law (Anti-Waste Law for a Circular Economy) in France and its application across the Group.

Métiers and sites develop action plans and submit investment proposals to the Industrial, Commercial, and Services Departments.

Key Objectives

The Group has set several objectives related to circular economy and waste management:

- Achieve 100% elimination of unnecessary⁸ single-use plastics by 2030.
- Establish a recycling pathway for all unsold products by 2030⁹.
- Define site-specific waste reduction targets based on circular economy principles and grounded in science.

Stakeholders

On-site, employees actively participate in initiatives to extend the life of materials through reuse or recycling. An internal competition, Upcycl'H, rewards teams that create useful internal objects from unused materials. Hermès also participates in inter-company working groups to explore circular models and develop relevant monitoring indicators.

The Group works with external service providers, specialists in their fields, to enable the recycling of certain products.

⁸ Unnecessary single-use plastics: those that do not serve an essential technical function, such as product protection, hygiene and integrity, transportation, or regulatory information support.

⁹ The targeted products are those covered under Article 35 of the French AGEC law.

Several internal and external stakeholders are involved in Hermès Group's circularity efforts

Internal Stakeholders

Petit h has offered a unique creative approach since 2010: inventing objects from unused Hermès materials, leveraging artisanal excellence and the creativity of artists and designers. The métier works not from a preconceived idea, but from available materials.

The "new chances for products" team manages occasional sales activities across Europe.

The "Hermès materials reserve" team offers a catalog of unused materials internally to facilitate reuse across métiers.

The Industrial Transition & Quality Department created a revalorization guide for métiers and other entities to help direct dormant stock toward the most suitable second life. The guide outlines criteria and procedures for reuse, resale, donation, and high-value recycling.

External Stakeholders

Hermès participates in inter-company working groups to monitor the development of circular technologies and innovations, explore circular models, and define relevant indicators. The Group also collaborates with external partners (e.g., resource centers, associations) to promote the reuse of raw materials or unsold products.

Finally, Hermès has worked for several years with dismantling and deconstruction professionals, sharing the highest standards to ensure the most responsible end-of-life solutions.