



CSR BRIEF December 2025

PURPOSE

This document is intended for all suppliers and manufacturers involved in the procurement processes for all Hermès group métiers.

This document will evolve to encompass other areas and take new requirements into account.

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INTRODUCTION to the CSR BRIEF

Hermès has been developing an artisanal model based on maintaining control over its know-how, the sustainability of resources and high quality standards since 1837.

This model is guided by a desire to incorporate each gesture, product and material into an ever-more responsible and sustainable future for Hermès and its partners.

Committed to this progress-oriented approach, this \underline{CSR} \underline{Brief} focuses on tangible benchmarks that structure the responsibilities shared by Hermès and its partners: preserving the climate, protecting natural environments, carefully managing resources and guaranteeing that fundamental rights are respected through the value chain. The \underline{CSR} \underline{Brief} thus complements:

- The Supplier Code of Conduct, which must be signed by our partners and contains all the essential principles and values that every partner must share with the Hermès Group and commit to respecting and promoting.
- <u>The Sectors Brief</u> and the <u>Responsible Purchasing Policy</u>, which outline the guiding principles and requirements in sustainable development per sector, material and purchasing category.

#COMMITMENT

The <u>CSR Brief</u> defines a framework that is shared with our partners to accompany the implementation of Hermès' social and environmental objectives. It is an extension of the **Group's strategic sustainable development framework**. The recommendations and trajectories detailed hereinafter thus contribute to Hermès' commitments to:

- **Protect fundamental rights:** guaranteeing respectable working conditions and fighting against all forms of discrimination.
- Fight climate change: reducing carbon emissions by 50.4% in absolute terms for scopes 1 and 2, and by 58.1% in terms of intensity $(tCO_2e/\mbox{\mbox{em}}m$ of gross margin) for scope 3 between 2018 and 2030.
- Preserve forests: acting in line with its Forests Policy to reduce its impact on natural ecosystems, particularly forests, and the populations that depend on them thanks to rigorous traceability of supplies.
- Respect and safeguard nature: identifying the pressures exerted on natural environments using the Science-Based Targets for Nature (SBTN¹) approach and the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES²), particularly in relation to changes in how land is being used (conversion, deforestation) and pollution (effluents).
- **Preserve water resources:** contributing to the preservation and protection of water resources throughout the entire value chain, with a particular focus on supplies sourced from areas in which water is scarce.

These commitments can complement our partners' existing sustainable development focus areas and CSR policies. Hermès also remains particularly attentive to any questions they may have.

HIGH STANDARDS

Hermès partners are subject to the legal dispositions in force in their countries, as well as to any international regulations, conventions and agreements that their country has officially signed. The themed pages provided in this <u>CSR Brief</u> summarise the benchmarks and contours, but each partner is responsible for mastering this content and monitoring any changes that might be introduced.

Without compromising on the Hermès Group's quality requirements or the applicable regulations, the <u>CSR Brief</u> outlines the guiding principles: good practices, recommended certifications and trajectories for progress. The latter convey the importance of progress-based momentum and on the obligation of suppliers to make the necessary efforts based on the conviction that dialogue, transparency and continuous improvement are key to their implementation.

Hermès remains attentive to the needs of its partners and can provide support in the event of difficulties, with tactical and technical recommendations, project activation, etc. Particular recognition will be given to virtuous initiatives already in place focused on social or environmental themes (climate, forests, biodiversity, water, pollution) and responsible innovation.

IMPLEMENTATION

The <u>CSR Brief</u> is communicated to all Hermès Group partners, either as a specific communication or as a supplement to the Supplier Code of Conduct, or to existing specifications or purchasing conditions.

Subsequent changes to the $\underline{CSR\ Brief}$ (adjustments, new themes, etc.) will be communicated using the same procedure.

Prioritising CSR initiatives requires some initial groundwork in identifying vulnerabilities and sensitivities that are specific to the business and to the industrial, environmental, geographical and regulatory context of each partner.

Partners' compliance with the <u>CSR Brief</u> does not exempt them from inspections by Hermès and third-party audits conducted by the Group in accordance with a specific CSR (Corporate Social Responsibility) framework.

Finally, the $\overline{\text{CSR Brief}}$ will provide the ideal framework for filling out the CSR questionnaires and the knowledge questionnaires that are requested of Hermès partners.



Social and Human Rights

Inventory

Know the entire production subcontracting chain and communicate it to Hermès. Continue the inventory of all operators, right down to the collection of raw materials.

Identify working and employment conditions for each link in the chain and make sure they respect the demands laid out in the "Supplier Code of Conduct", notably the prohibition of child labour or any form of forced labour, discrimination and the right to fair pay and decent working hours.

Any situation found contrary to the Code of Conduct must be communicated to the Group as soon as possible.

Choose supply sources, suppliers and subcontractors certified by labels that take social aspects into account, according to a level of requirements and coverage that reflects Hermès' high standards. This could be:

- Social accountability certifications or systems (SA 8000, OHSAS 18001/ISO 45001, UNIC Social Accountability).
- Fair trade labels or certifications (Fair for Life, Fair Trade) for supply chains in which these standards are available.
- Sector-specific certifications recommended by the Hermès group that take social aspects into account, listed for each sector in which they exist (See the "Sectors Brief").
- Certifications that are listed neither above nor in the Sectors Brief but which meet the demands of the Hermès group's Supplier Code of Conduct, such as **Cradle to Cradle**.

If current sources are not already certified, define a continuous improvement plan based on the above standards.

Recommendations and roadmaps

In any commercial relationship and for optimal alignment with Hermès' renewed commitments, particular attention must be paid to:

- The working environment, particularly occupational health and safety and accident prevention, as well as employment non-discrimination.
- Respect of working time and remuneration, including paid overtime and a minimum wage that enables the worker to cover his/her needs and those of his/her family.
- The existence of an internal active alert and monitoring system for the human rights component. For information, Hermès provides its partners with a dedicated platform (H-Alert platform).

Conducting internationally recognised social audits (SMETA³, Social & Labor Convergence Program, etc.) or social audits according to the internal audit programmes approved by Hermès is encouraged.

Prohibitive points

Ban suppliers in the event of serious breaches of human rights, fundamental freedoms and the essential principles and values laid out in the Hermès Group's Supplier Code of Conduct.



Biodiversity

Inventory

List all operators right down to the collection of raw materials, with information on origin (country and region).

List activities that are located in or near sensitive areas and that are significant in terms of protection, such as those with high conservation or low carbon sequestration potential (Appendix 1: protected area categories). The provision of GPS coordinates, production type and a description of practices is a plus.

Identify the supply risks caused by biodiversity degradation, and the impacts supplies have on biodiversity, ecosystems, threatened species and land use.

Choose sourcing methods that limit their impact on natural resources, applying a rationale of legitimate necessity.

Measure the impact of activities using a recognised evaluation reference framework, such as the Global Biodiversity Score (GBS) or the Biodiversity Impact Metric (BIM).

Define clear and measurable biodiversity objectives that are approved by organisations such as the ${\tt SBTN^1}$, to ensure a verifiable positive impact on biodiversity.

Choose sources of supply certified by labels that ensure the respect of ecosystems or equivalent practices when producing and harvesting materials:

- For forestry sectors, see the "Forests" page.
- For agricultural sectors, **prioritise certified organic sources** in line with ${\bf IFOAM}^4$ specifications.
- Encourage all regenerative agriculture processes according to the principles laid out by Regenerative Organic Certification or RegenAgri.
- Opt for raw material processing methods that respect flora and fauna through material-specific environmental certifications (for example, LWG⁵ or GOTS⁶ certifications).

If current sources are not certified, define a continuous improvement plan based on the above labels. Communicate with Hermès in the event of difficulties in obtaining certification and transmit the implementation schedule.

Work with local and international $NGOs^7$ and other pertinent entities to implement initiatives designed to safeguard biodiversity. Use tools such as STAR by $IBAT^8$ to evaluate risks and guide decisions.

In the event of past violations or damages linked to harvesting forest, mineral or agricultural resources, undertake to remedy, restore and/or compensate. Tangible initiatives can be inspired by the Operational Guidance on Environmental Restoration and Compensation published by the ${\bf AFI^9}$.

Ban suppliers who do not comply with regulations for protecting species for which trade is illegal, such as species on the ${\tt CITES^{10}}$ or the ${\tt IUCN^{11}}$ Red List.

Ban suppliers whose forest, mineral or agricultural resources contribute to the destruction of natural habitats or soil depletion, notably:

- Resources contributing to deforestation*, to the conversion** of natural ecosystems, or those sourced from the conversion** of natural forests to plantations;
- Resources originating from extraction, agriculture or livestock farming contributing to gross or imported deforestation*, as well as to overgrazing and soil eutrophication (cattle);
- Resources involved in slash-and-burn clearing practices.

Recommendations and roadmaps

Prohibitive points



Forests

Inventory

Hermès Forests Policy:
https://assetsfinance.hermes.com/s3fspublic/node/pdf_file/202509/1758038396/forest_policy
hermes_2025.pdf?VersionId=69BWiPpHZwO781ZuxfRhID
12TwWhvwk6

Recommendations

and roadmaps

Read the Hermès Forests Policy that is currently in force.

Continue the inventory of **all operators**, right down to the collection of raw materials, by implementing a traceability system that allows for the monitoring of materials and the collection of the following associated data: **country and region of origin and GPS coordinates for each plot at forest management unit level.**

Initiate a system for verifying volumes of deforestation-* and/or conversion**-free products, and for preventing any risk of mixing or bypassing.

Communicate the results to Hermès.

As regards sourcing materials from forests, limit procurement to suppliers who use sources that are fully certified by the FSC^{12} or $PEFC^{13}$ or the equivalent without certification, excluding fruit trees, as required by the Sectors Brief.

Local certifications may be satisfactory depending on the risks identified if they guarantee forest preservation and zero deforestation*.

Identify activities located in areas that are at risk of deforestation* and/or conversion**, based on reference tools (e.g. the Global Forest Watch tool), and/or indexes (e.g. $EUDR^{14}$) and ensure a suitable level of due diligence in accordance with the stipulations of the $EUDR^{14}$.

Initiatives will be implemented to meet the following objectives, some of which are detailed in the Hermès Forests Policy:

- some of which are detailed in the Hermés Forests Policy:

 Ensure that national and international laws related to forests
- Ban the acquisition/sale of species features on the ${\tt IUCN^{11}}$ Red List.
- Respect the rules set out in the CITES10 Convention.
- Do not use illegal or banned chemicals.

and the use of land are upheld.

- Do not use genetically modified products.
- Recognise and respect the rights of indigenous populations and local communities according to ${\tt FCIP^{15}}$.
- Promote alternative forestry practices, shifting towards less intensive forest management (limited use of clearcutting, introduction of mixed forestry with continuous cover, etc.).
- Ensure material reuse and recovery via the recovery of offcuts.

Based on the results obtained, define a forest management progress action plan that is compatible with international targets (Goal 15 of the ${\bf SDGs^{16}})\:.$

Prohibitive points

Disengage entirely from suppliers whose resources from mining, forestry or agriculture contribute to **deforestation* or the conversion** of natural ecosystems** and, consequently, to the release of carbon into the atmosphere or any other detrimental effect on the environment and populations.

Ban suppliers who practice ${\bf slash-and-burn}$ or ${\bf clearcutting}$ (unless absolutely necessary).

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CLIMATE CHANGE

Reduction

Inventory

Measure energy consumption (electricity, fuel, gas coal, etc.) and greenhouse gas emissions ($GHGs^{17}$). Conduct an energy audit and/or a GHG^{17} audit using a recognised method (Bilan Carbone®, GHG^{18} Protocol or ISO 14064) that takes scopes 1 and 2^{***} (Location et Market-based) into account at the very least, and which preferably includes scope 3^{***} , and communicate the results to Hermès.

Share the specific emission factors for products delivered to Hermès, if they are calculated using a recognized methodology.

Based on the results obtained, embark on a **trajectory to reduce emissions** in line with the Hermès group's decarbonisation objectives, and communicate this to Hermès. Prioritise a robust approach, approved by the **SBTi**¹⁹ (Science Based Targets Initiative) reference framework.

These action plans can incorporate some of the following levers on production-site level:

- Improve the energy performance of production sites (less energy-intensive equipment, thermal insulation, renovation, etc.) and potentially move towards positive energy infrastructures (solar panels, biogas plants, etc.). Certification via international (LEED²⁰, BREEAM²¹) or European (HQE²², BEPOS²³) standards is recommended.
- Increase the share of renewables in the sites' energy mix by ranking projects according to the production of renewable energy on-site, Power Purchase Agreements and guaranteed origin certificates.
- Prioritise environmentally friendly sources of supply through environmental certifications that focus on managing energy consumption and ${
 m GHG^{17}}$ emissions, such as the ${
 m LWG^5}$ or ${
 m GOTS^6}$ certifications.
- Encourage the introduction of collaborative initiatives between or within sectors or through professional trade unions.

Prohibitive points

- Ban suppliers who do not comply with the applicable environmental regulations, particularly those relative to ${\it GHG^{17}}$ emissions.
- The use of coal as a primary energy source is prohibited among all our suppliers.
- Plan to gradually disengage from suppliers who have not drawn up a roadmap for a reduction in ${\it GHG^{17}}$ emissions and shared it with Hermès.



CLIMATE CHANGE

Adaptation

Map production sites and the supply chain.

Identify exposition to the physical risks associated with the climate and with climate change according to the various scenarios (SSP3-7.0 and SSP5-8) set out by the IPCC²⁴ (drought, flooding, heatwaves) throughout the entire production and supply chain using the available databases and hazard maps (e.g. Géorisques or the DRIAS²⁵ portal in France, or the IPPC²⁶

and the WRI²⁷'s Aqueduct tools).

Based on the risks identified, implement a climate change adaptation strategy using a recognised method (e.g. ACT Ademe, IDB²⁸, EU Climate Adapt) that notably includes:

- A **vulnerability** analysis dependent on sensitivity of the operations, infrastructures and cultures in the face of these risks and the preexisting adaptation capacities.
- A climate resilience analysis of the territories in which sites are located.
- An **adaptation plan** describing the measures and practices that will need to be activated (as well as their financial burden) to reduce the impact of the risks linked to climate change on for instance:
- Industrial activities: strengthened infrastructures, secure and safe storage and efficient cooling.
- Agricultural activities: crop diversification, water management and soil protection.
- Logistics: planning routes and ensuring resilient infrastructure and flexible supply chains.
- Human resources: protecting employees from climate hazards to ensure good working conditions.

Encourage adaptation practices that contribute positively to fighting climate change while limiting any negative impacts (social, environmental, biodiversity, etc.)

Communicate this strategy to Hermès.

Points for attention

Ensure that adaptation strategies take local populations and their capacity to adapt to climate-related issues into account. Plan to gradually disengage from suppliers who are the most affected by climate change and who have not drawn up a climate change adaptation plan and shared it with Hermès.



Water

Extraction and consumption

Inventory

Identify and measure water extraction and consumption related to activities and share the results with Hermès.

Ensure stringent compliance with regulations related to extracting water from natural environments or as part of a public network.

Map production sites and identify those that are in water-stressed areas or which are at risk of water shortages using tools such as the WWF Water Risk Filter or the WRI^{27} Aqueduct suite.

Based on the results obtained, define a water management progress action plan that is compatible with international targets (Goal 6 of the ${\tt SDGs^{16}}$). Draw inspiration from recognised standards, such as the Water Footprint Network or the Alliance for Water Stewardship.

Draw on co-opted targets that can be verified by a body such as the ${\tt SBTN^1}$ for freshwater, relating to water quantity and quality, aligned with the state of the water basin, including:

- A % reduction in water extraction.
- A % use of recycled or reused water.
- The concentration of nutrients/pollutants in wastewater.

Some of the following levers can be activated:

- Eliminate wastage of all kinds and ensure that facilities are perfectly maintained.
- Improve the performance of production processes (water-saving equipment, rainwater harvesting, closed production systems, etc.).
- Recycle wastewater by incorporating it into production (ultra-filtration, reverse osmosis).

Throughout the value chain:

- Map sourcing regions/sites and identify those that are in water-stressed areas using tools such as the WWF Water Risk Filter or the WRI²⁷ Aqueduct suite. Define a remediation or adaptation plan and communicate it to Hermès.
- Prioritise sources of supply that emphasise water management through environmental certifications specific to the materials, such as the ${\bf LWG^5}$ or ${\bf GOTS^6}$ certifications.

final version of which was published in early 2023

a Refer to the Science

Based Targets'
Freshwater guide, the

Recommendations

and roadmaps

Ban suppliers who do not comply with legal regulations, particularly suppliers who are involved in illegal drilling for water and/or pumping (waterways, water tables).

water and/or pumping (waterways, water tables).

Plan to gradually disengage from suppliers who have been flagged as high-risk and who have not drawn up a water

Prohibitive points

management plan and shared it with Hermès.



Traceability

Ensure the most stringent traceability of **incoming and outgoing streams** on behalf of Hermès, entailing an inventory of all suppliers and subcontractors used, up to the earliest stage of raw materials: name and company name, precise address for each site, role in the value chain of each operator.

This information will be shared with Hermès, in accordance with the confidentiality undertakings in the Supplier Code of Conduct, as required: each season, monthly, annually, for each new supplier or subcontractor, etc.

This traceability data should enable all current and future regulatory requirements to be met (such as the $AGEC^{29\ a}$ law, the $EUDR^{14}$, the future European DPP^{30} , etc.).

The type of traceability data required could be related to:

- Product and material composition.
- The location of manufacturing stages.
- Knowledge and control of the value chain, right up to the earliest stage.

The **following traceability systems are to be favoured** as prerequisites necessary for supply chain transparency and control, as well as to improve operational efficiency and flow management with regard to the various Hermès purchasers:

- Tracking of batches of materials (leather, fabric, components, etc.) and orders (manufacturing, subcontracting, etc.) using a suitable operational Information System. This will include communicating, at Hermès' request, the location, status and quantities for each work unit involved.
- Implementation of reliable and proven marking technologies for materials, such as physical, mechanical or chemical marking. These will be communicated to Hermès to define their scope and methods of implementation.
- Supply Chain mapping tools, including for Hermès' supply chains, can be identified and shared in order to establish a mass balance for the requested sectors as a minimum, and ideally with a segregation for each transaction down to the identification of the batch of materials.

Inventory

^a From 1 January 2023, the decree implementing Article 13 of France's Anti-Waste and Circular Economy Law sets out new consumer information obligations relating to the environmental characteristics of products, via communication that is visible or accessible at the point of purchase.



Chemical Substances & Safety

Inventory & Reduction

Identify substances of very high concern $(SVHC^{31})$ * contained in products in connection with $REACH^{32}$ regulations, product specifications and the restricted substances list (RSL^{33}) .

Commit to a plan to reduce substances of very high concern (SVHC) contained in products in connection with ${\it REACH}^{32}$ regulations and the restricted substances list $({\it RSL}^{33})$.

Identify category 1 Carcinogenic, Mutagenic or Reprotoxic (CMR) substances. Commit to a CMR substitution plan when alternatives are possible and encourage suppliers to look for alternatives as well, if relevant.

Ensure absolute compliance with locally applicable regulations and actively monitor potential changes.

Ensure that substances and any chemical risks are managed in the supply chain and manufacturing processes. The following levers should be activated:

- Implement an efficient chemical management system: risk assessment, control measures (inventory, product storage & use, employee health & safety protection, waste management).
- Define a policy on the use of chemical products that envisages the eventual substitution of increasingly concerning substances or those that will be subject to future restrictions: endocrine disruptors, allergens, phthalates, etc.
- Engage your own suppliers in a management system for chemicals and chemical risk.
- Mobilise certifications that address the management of chemical products and safety where they exist. The target audiences of the Sectors Brief should be addressed in priority (e.g. GOTS⁶, LWG⁵). Other reference documents (e.g. Oekotex) can also be shared with Hermès.
- For the textile and leather industries, refer to the ${\tt ZDHC^{34}}$ programme, which is the industry's benchmark, and notably:
 - The "Supplier to Zero" training programme.
 - The "Chemical Management System: Technical Industry Guide".
 - The "Manufacturing Restricted Substances List" (MRSL35).
 - The compliance verification tools for the $MRSL^{35}$ list: $ZDHC^{34}$ Gateway, InCheck.

Prohibitive points

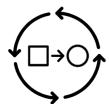
Recommendations

and roadmaps

Ban suppliers who fail to comply with regulations related to the management of chemical substances or with local regulations.

Ban suppliers who fail to comply with Hermès' RSL document.

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Circularity and Innovation in Materials and Processes

Inventory

Recommendations

and roadmaps

Materials are important to Hermès and, on account of their quality, value and sensory nature, particular care must be taken to avoid wasting them and to optimise their use while respecting their impact on biodiversity and the environment.

Identify the levels of recycled raw materials used for Hermès production and communicate the results to Hermès.

Work closely with industry and/or local initiatives in this area, as well as with the Hermès Group, in order to build a roadmap for change in its processes.

ECO-DESIGN

- Apply eco-design principles from the conception phases, to eradicate waste and unnecessary materials and resources generated throughout the product life cycle.
- In particular, include a repairability parameter in the initial design of an object in compliance with existing and future regulations (e.g. the ESPR³⁶ digital product passport regulation on repairability and recyclability).

CIRCULARITY

- Activate reuse (internal or external), recycling and material recovery channels, at a minimum for energy, for all waste generated, with a view to limiting environmental impact. Communicate with Hermès about objective indicators of the % of waste avoided and/or recovered.
- Implement R&D initiatives or programmes aimed at integrating raw materials from recycling or generating new ones from available sources (textiles, leathers, synthetic materials, metals, etc.). Share information about current or future projects with Hermès to confirm their relevance together and amplify their results.
- For raw materials sourced from recycling, ensure origin traceability: post/pre-consumption source, country of origin, regulatory compliance.

INNOVATION

Boost internal R&D policy and share innovative projects with Hermès related to materials, processes and know-how that improve product quality or reduce a product's environmental impact.

Prohibitive points

Ban any initiatives that would compromise the high quality criteria and sensory standards expected by Hermès. These initiatives often require significant R&D efforts to guarantee that quality criteria can be met without any compromises.

Ban landfill when waste recovery is possible from a technical and regulatory stance (e.g. France's $AGEC^{29}$ law on the 7 waste streams introduces the need to recycle textile offcuts [Article 74]).



Waste

Inventory

1 Waste with one or more of the properties defined in Appendix III of the European Parliament's 2008/98/CE directive is considered to be hazardous: ecotoxic, carcinogenic, explosive, flammable, etc.

Recommendations and roadmaps

Measure the amount of waste produced by operational activities and communicate the results to Hermès.

Identify exhaustively the nature of the waste produced (hazardous and non-hazardous¹) and its end-of-life treatment (processing, recycling, recovery, landfill). Identify whether waste is transferred to other countries. This includes sewage treatment sludge for sites with wastewater treatment plants. Ensure a method of collection, storage, transport and treatment that is suited to each type of waste.

Ensure absolute compliance with regulations and actively monitor potential changes locally.

Ensure that waste is sorted and grouped by processing stream for non-hazardous waste (glass, metal, paper, cardboard, plastic, wood, etc.) and hazardous waste (solvents, aerosols, soiled packaging, etc.).

Ensure storage that avoids any risk of pollution (protected and ventilated areas, retention features, etc.).

Ensure management is tailored to each waste type according to the following hierarchy of treatment methods:

- <u>Prevention</u>: Implement a waste reduction plan by optimising the use of resources (materials, water, consumables) at every stage. Implement a toxicity reduction plan for waste and discharge. In particular, draw on recommendations from the **ZDHC**³⁴ programme and its **MRSL**³⁵.
- Reuse: Implement an internal and/or external reuse system for
 all resources used.
- <u>Material recovery</u>: Activate recycling or composting channels for all waste generated.
- **Energy recovery:** For non-recyclable waste and discharge, activate energy recovery streams by incineration in approved facilities, ensuring flue gases and residues are processed.
- <u>Disposal</u>: Only dispose of waste and discharge that cannot be recovered or reused ("final waste"), in approved facilities. Communicate with Hermès about objective indicators of the % of waste avoided and/or recovered.

Prohibitive points

Ban suppliers who do not respect waste management regulations, thereby contributing to the pollution of water and land. In particular, ban suppliers who dump, bury or burn waste in the natural environment.

Plan to gradually disengage from suppliers who have not drawn up a pollution and waste management plan and shared it with $\operatorname{Herm\`es}$.



Pollution

Plastics

Inventory

Measure the consumption of plastics (% of plastics contained in Hermès products, all-plastic products, consumables and primary and secondary packaging) related to operational activities, in particular single-use plastics, and communicate the results to Hermès.

On the basis of the results obtained and in collaboration with Hermès, define a progress action plan and embark on a process of reducing and eliminating single-use plastics in relation to the European Single Use Plastic Directive. It should be noted that Hermès is committed to fully eliminating all single-use plastics by 2030, 10 years earlier than the AGEC²⁹ law, which is working towards a total ban by 2040.

The following examples of leverage should be considered:

AT OPERATIONAL LEVEL FOR SUPPLIERS

- Assess the relevance of the use of plastic at every stage of the production process and optimise its use.
- Replace plastics, particularly single-use plastics, with greener alternatives: recycled (preferably post-consumption) plastics (chemical or mechanical process according to the state of the art in the countries considered), other natural materials that can be recycled or that are biodegradable in natural conditions, and/or introduce new processes that require less plastic.
- Prioritise sources of supply that manage waste, including plastics, according to processing type (reuse, material recycling, energy recovery, disposal).
- For plastics that cannot be eliminated, promote reuse, improve product design to facilitate recycling and optimise end-of-life waste collection and sorting in accordance with France's AGEC²⁹ law, or in line with local laws or good practices in other countries, where necessary.

AT THE LEVEL OF FLOWS WITH HERMÈS

- Prioritise plastic-free alternatives where they exist or limit the use of plastic consumables in logistical operations and associated shipping packaging: cushioning elements, adhesives, paper straps, etc.
- ${\mathord{\text{--}}}$ Prioritise the introduction of reusable containers such as resealable crates and pallets, in consultation with Hermès.

Prohibitive points

Disengage from suppliers who contribute to pollution (water and soil) and perpetuate a risk to human health through untreated plastic waste and known cases of unauthorised dumping.



Pollution

Industrial Emissions:
 Water, Air, Land

List and characterise (type, volume, concentration) the industrial emissions (atmospheric emissions, liquid effluent and waste a) generated at the production site (Environmental Analysis).

Comply with the applicable legal requirements for pollution in the countries in which the company operates, notably the European Industrial Emissions Directive (IED) and its transposition into local law, such as the ${\bf ICPE^{37}}$ regulatory framework in France or the Autorizzazione Integrata Ambientale in Italy.

Ensure periodic monitoring of emissions, at least in line with applicable regulations.

Implement an environmental management system designed to :

- Ensure industrial emissions comply with regulations.
 - Water: volume of water used and concentration in effluent pollutants generated before discharge into a natural environment or wastewater treatment plant;
 - Air: channelled or diffuse polluting emissions, excluding GHG¹⁷ (Volatile Organic Compounds, Particulate matter, nitrogen oxides, etc.);
 - Land: Identify risks of accidental and/or chronic land pollution on or in the immediate vicinity of the site (discharge, leaking pipes and underground tanks).
- Encourage the implementation of the **best available techniques** in mastering environmental risks (European **BREFs**³⁸).
- Prevent and reduce the production of waste and pollutants at the source as part of an eco-design approach, notably eliminating persistent, bioaccumulative and toxic substances (eternal pollutants) such as PFAS³⁹, heavy metals or microplastics.
- Align with the most demanding reference frameworks, particularly the ZDHC³⁴ programme by drawing on the "Roadmap to Zero" for water management.
- Limit atmospheric emissions by monitoring channelled and diffuse emissions linked to combustion facilities (ovens, boilers) and chemical material treatments (surface treatments, dry degreasing, spraying booths, etc.) in particular.

Ban any supplier operating a production site without the mandatory authorisations required by regulations (operating licence, environmental authorisation).

Plan to gradually disengage from high-risk suppliers who have not drawn up an environmental pollutant discharge compliance plan and shared it with Hermès.

Inventory

a for waste management, refer to the "Waste" page of this document.

Recommendations and roadmaps

*Per- and polyfluoroalkyl substances (PFAS³⁹), ANSES⁴⁰ list

Prohibitive points

Appendix 1: protected area categories

| Area category | Body | Definition | Examples |
|--|--------------------------|---|--|
| Category I - IV of IUCN protected areas | IUCN | I: Strict nature reserve and wilderness area II: National park III: Natural monument IV: Habitat or species management area | I: Area where human access is controlled IV: Beaches where protected turtles nest during the breeding season |
| Forest areas on the IUCN Red List of Ecosystems | IUCN | Areas where ecosystems are at risk (threatened plant and animal species) | Tropical, subarctic, subtropical or temperate forests providing shelter to threatened species |
| Ramsar Convention Wetlands | The Ramsar Convention | Natural and artificial habitats classed as wetlands | Rivers, mangroves, reefs, bodies of water, marshlands |
| UNESCO World Heritage Sites | UNESCO | Sites classed as natural heritage (natural monuments, geological and physiographical formations) and cultural heritage (monuments, groups of buildings and sites) | Yellowstone National Park Galápagos Islands coral reef |
| UNESCO Biosphere Reserves | UNESCO | 'SD education sites': areas where people and nature are integrated harmoniously (+700 biosphere reserves) | Camargue or Mont Ventoux in France, Dalai Lake or Nanji Islands in China |
| KBAs (Key Biodiversity Areas) | IBAT Alliance | Sites that make a significant contribution to perpetuating biodiversity in terrestrial and aquatic ecosystems | The forests and highlands of Kauai in Hawaii: 9 endangered species, including 5 found nowhere else on Earth |
| IBAs (Important Bird Areas) | IBAT Alliance | Protected habitats sheltering endangered bird species | Monte Generoso in Switzerland: nesting of many bird species |
| ZEAs (Zero Extinction Areas) | IBAT Alliance | Last refuge sites for critically endangered or threatened species | Presqu'ile de l'Edough in Algeria: home to the Edough ribbed newt |
| Natura 2000 sites | Natura 2000 | Natural or semi-natural sites in the EU with exceptional flora and fauna | Fontainebleau forest or Rambouillet forest in France |

Appendix 2: Acronyms (in order of appearance)

- 1 SBTN: Science Based Targets Network
- ² IPBES: Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services
- 3 SMETA: Sedex Members Ethical Trade Audit
- 4 IFOAM: International Federation of Organic Agriculture Movements
- ⁵ **LWG:** Leather Working Group
- ⁶ GOTS: Global Organic Textile Standard
- 7 NGO: Non-Governmental Organisation
- 8 STAR (IBAT): Species Threat Abatement and Restoration Metric (Integrated Biodiversity Assessment Tool)
- 9 AFI: Accountability Framework Initiative
- 10 CITES: Convention on International Trade in Endangered Species of Wild Fauna and Flora
- 11 IUCN: The International Union for Conservation of Nature
- 12 FSC: Forest Stewardship Council
- 13 PEFC: Programme for the Endorsement of Forest Certification
- ¹⁴ EUDR: European regulation against deforestation and forest degradation
- 15 FCIP: Free, prior and informed consent
- 16 SDG: United Nations' Sustainable Development Goals
- 17 GHG: Greenhouse gases
- 18 GHG protocol: Greenhouse Gas protocol
- 19 SBTi: Science-Based Targets Initiative
- ²⁰ **LEED:** Leadership in Energy and Environmental Design
- 21 BREEAM: Building Research Establishment Environmental Assessment Method
- 22 HQE: High Quality Environmental standard
- 23 BEPOS: Positive energy building
- 24 IPCC: Intergovernmental Panel on Climate Change
- ²⁵ DRIAS: French region-specific data and indicators on adapting to climate change
- 26 IPPC: International Plant Protection Convention
- ²⁷ WRI: World Resources Institute
- 28 IDB: Inter-American Development Bank
- 29 AGEC: France's anti-waste and circular economy law
- 30 DPP: Digital Product Passport
- 31 SVHC: Substances of Very High Concern
- 32 REACH: Registration, Evaluation, Authorisation and Restriction of Chemicals
- 33 RSL: Restricted Substances List
- 34 ZDHC: Zero Discharge of Hazardous Chemicals
- 35 MRSL: Manufacturing Restricted Substances List
- 36 ESPR: Eco-design for Sustainable Products Regulation
- 37 ICPE: Facilities classified for environmental protection in France
- 38 BREFs: Best Available Technique Reference Documents
- 39 **PFAS:** Per- and polyfluoroalkyl substances
- 40 ANSES: French Agency for Food, Environmental and Occupational Health & Safety

Appendix 3: Definitions

- * **Deforestation** (Accountability Framework Initiative): loss of natural forest as a result of: i) conversion to agriculture or other non-forest land use; ii) conversion to a tree plantation; or iii) severe or sustained degradation.
- ** Conversion (Accountability Framework Initiative): change of a natural ecosystem to another land use or profound change in the natural ecosystem's species composition, structure or function.
- *** Scopes 1, 2 and 3 of a carbon footprint assessment: Scope 1: direct emissions from production sites, offices, logistics centres and stores. Scope 2: indirect emissions (energy) from production sites, offices, logistics centres and stores. Scope 2 emissions can be calculated in two ways: location-based or market-based. Location-based Scope 2 emissions reflect the physical reality of the electricity mix from which electricity is drawn. Market-based Scope 2 emissions also take into account the purchase of renewable electricity certificates (guarantees of origin in Europe), which are subtracted from location-based emissions.
- <u>Scope 3</u>: indirect emissions from raw materials, purchases, fixed assets, subcontracting, packaging, waste, transport of products and travel.