

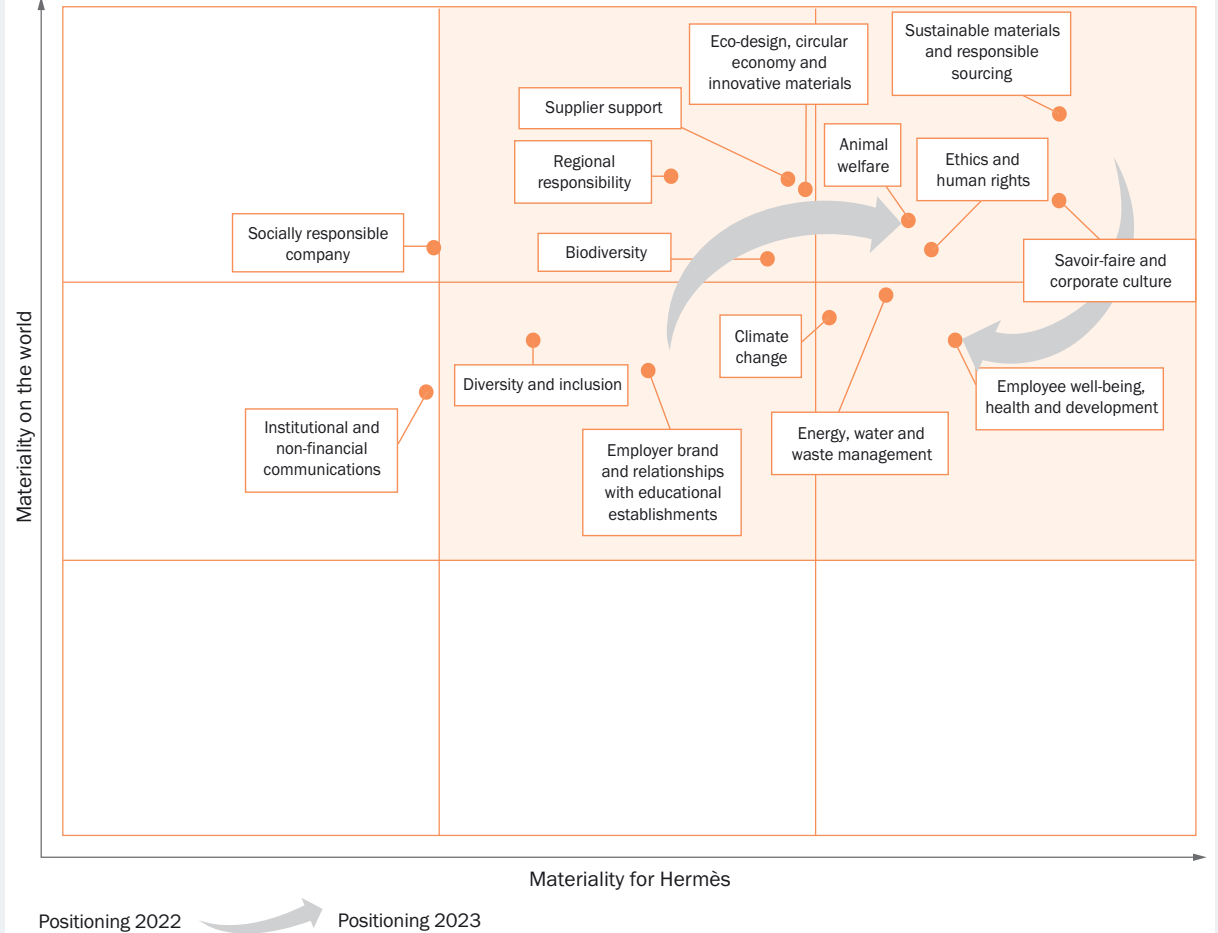
Individual commitments of Hermès International to act4nature international

Company presentation

An independent house^[1] since 1837, guided by the attributes of the craftsman: responsibility, authenticity, and long-term vision. The Hermès model is unique in many ways. The 16 métiers offer objects designed to last. A French house with a global reach, with 74% of production assured in France. It is an integrated model, from the manufacture of objects in our internal and exclusive workshops (which represent 55% of the operations) to distribution worldwide. 10.395 people (out of the total group workforce of 22.037) are in production. Hermès fully owns 75 production and training sites worldwide, 294 exclusive stores in 45 countries, as well as global and local logistics platforms.

Materiality analysis

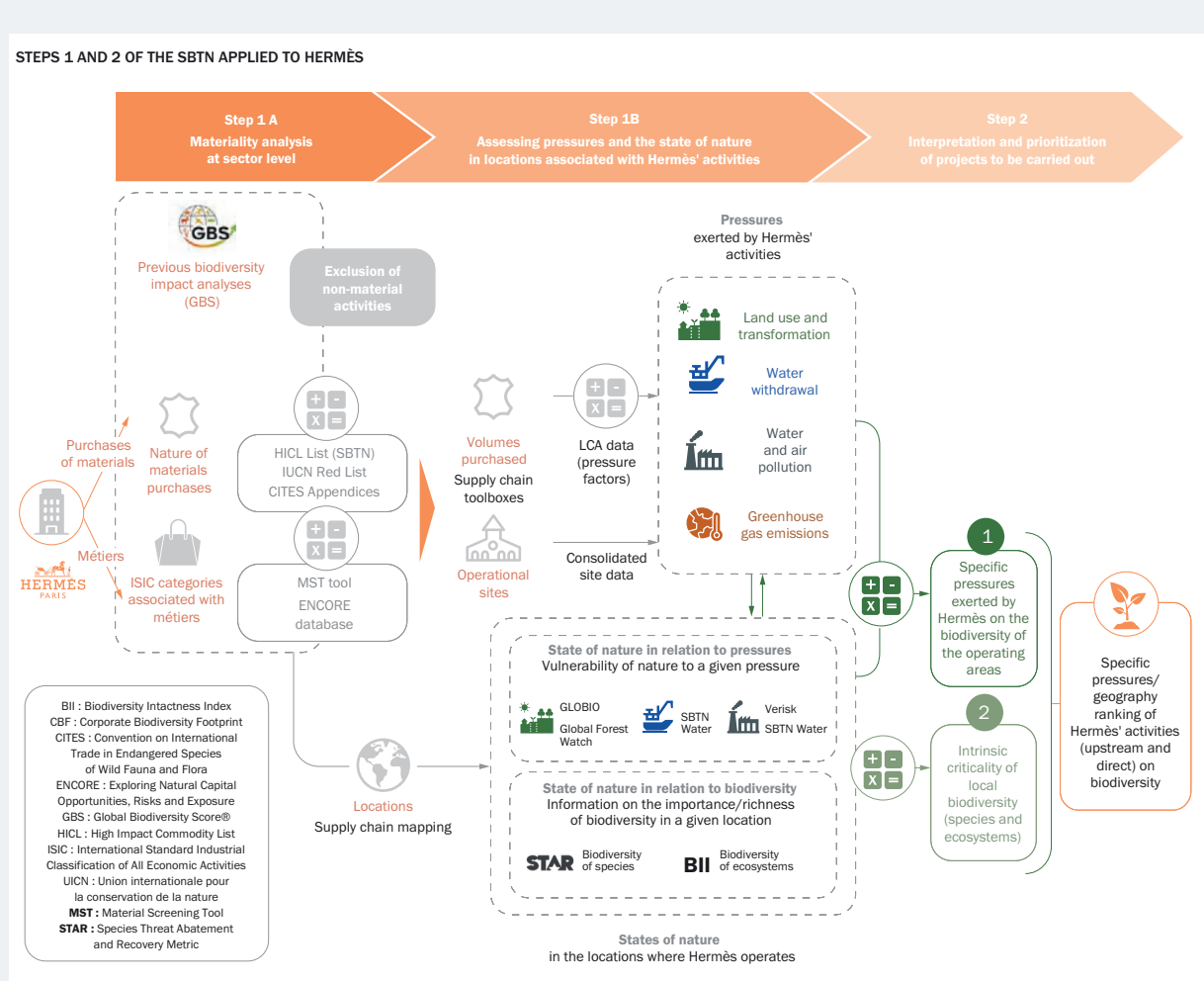
Like every year, Hermès updated^[2] its priority CSR materiality analysis in 2023, to guide its actions and facilitate the understanding of its strategy.



The theme of biodiversity is increasing in importance and impact on Hermès' business model. This evolution is explained by a better knowledge and understanding of the consequences of biodiversity erosion on its activity, supported by impact calculations and sector analyses conducted in previous years and the rapid evolution of international frameworks. The biodiversity issue is supervised by the Executive Committee, which relies on the work of the Sustainable Development Board. In addition, this issue is carried by a specific competence present on the Supervisory Board. For this eminently complex issue, the group surrounds itself with experts and relies on specialized NGOs.

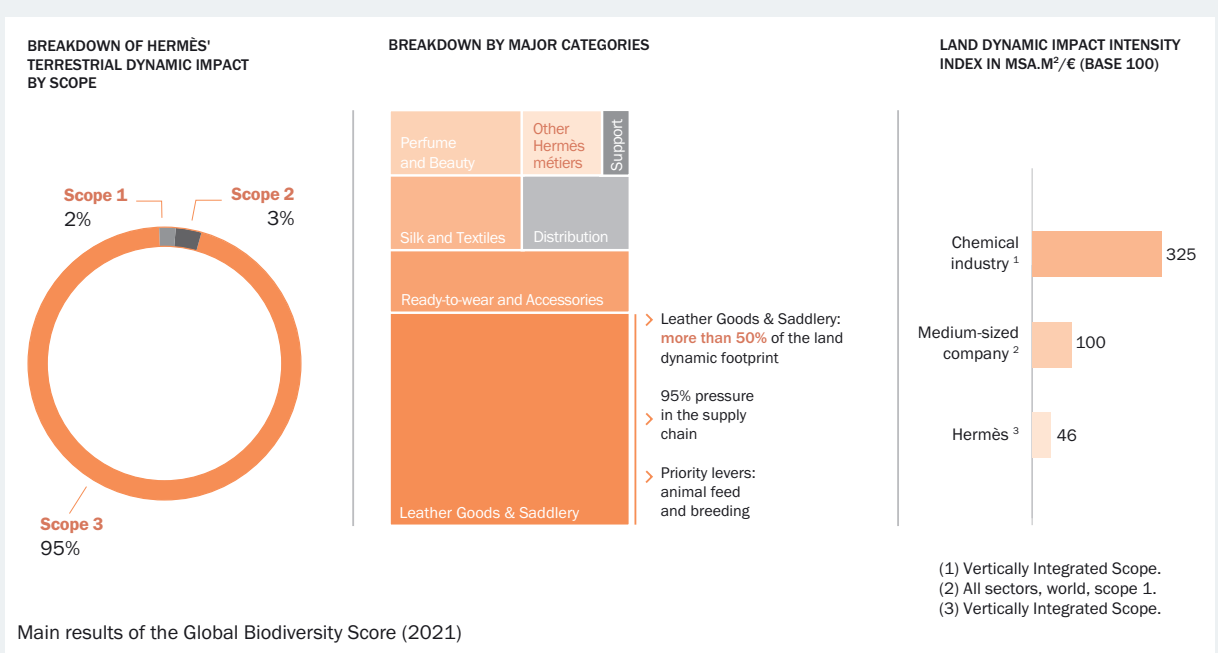
To respond to current issues concerning biodiversity loss, Hermès has committed in a concrete way with a strategy formalized in 2018 and updated in 2020 around four structuring axes: train, collaborate, evaluate and act. These commitments are part of global, European, and national frameworks. The four pillars chosen aim to guide the group and its trades in measuring the biodiversity footprint of value chains, co-constructing corrective and positive actions, or even supporting the organization's skills development.

To better understand its impacts, risks and opportunities on nature, Hermès applied the SBTN (Science Based Targets for Nature) method in 2023 on the first two steps, with the help of its external partners. Upstream of step 1, which defines the materiality of biodiversity issues for Hermès' activities, a preliminary framing allowed to precisely define the scope of the study. In accordance with the expectations of the SBTN approach, Hermès' 16 trades and all raw material sectors were considered in the analysis. The diagram below represents the process of applying the method to Hermès' activities. The group's data (type of activities, volume of purchases, flows...) are associated with global databases on nature to highlight the pressures exerted. This allows to carry out the second step, i.e. to establish a list of trios of pressure points/ geography/ activities priority for the construction of objectives and action plan in the following steps of the SBTN.



Hermès has completed its vision of its biodiversity issues by carrying out its group biodiversity footprint thanks to the Global Biodiversity Score[®] (GBS)^[3] tool, carried by CDC Biodiversité. The analysis is carried out by analysing the impact of the different components of economic activity on these ecosystems according to the following pressures: land use, fragmentation, encroachment, deposition of atmospheric nitrogen, climate change, hydrological disturbance, conversion of wetlands, nutrient emissions and land use change in the watershed.

The analysis of contributions to pressures on biodiversity is based on a detailed analysis of raw material sectors, responsible for 95% of impacts. The work has identified priority levers for action within our sectors. The new act4nature commitments detailed below therefore give pride of place to the group's supply chains. The main results of Hermès' dynamic terrestrial footprint are presented below:



Main results of the Global Biodiversity Score (2021)

Link with previous act4nature commitments

Hermès has been committed since 2018 to "act4nature". Among the act4nature commitments of the group, 4 were completed before 2023^[4]: training of general managers, experts & Sustainable Development committees, certification of the entire ostrich sector (achieved since 2021 and renewed), evaluation on fresh water of industrial sites (achieved and renewed) and diagnosis of the use of single-use plastics in central functions and operations (achieved in 2022).

In particular, the dissemination of knowledge of biodiversity issues is key to promoting decision-making and achieving ambitious results. In addition to the report presented to act4nature, training continues with a cycle currently being deployed for governing bodies (the Executive Committee and the Supervisory Board), a panel of educational tools to train experts (including with external tools) and e-learning and conference cycles to reach all employees.

Act4nature international commitments 2024-2026

Hermès' Biodiversity strategy is structured around four pillars to guide the group and its businesses in measuring the biodiversity footprint of value chains, co-constructing corrective and positive actions, or even supporting the organization's skills development. To facilitate the reading of the table below, the short explanations of the themes mobilized for Hermès' commitments are supplemented by references to the Universal Registration Document (URD) 2023.

| Commitments according to Hermès biodiversity pillars | Common commitments | Scope of activity | Indicator | Mesurable objective | Deadline |
|--|---------------------------------------|---------------------|--|--|-------------|
| Pillar 1 – TRAIN | | | | | |
| 1.1 Train employees^[7] in biodiversity by 2026. Implement a training plan that can be deployed digitally (e-learning) or in person | 1 2 4 8 10 | Group | Number of Hermès employees trained in biodiversity | All group employees have attended at least one training session since the launch of biodiversity training in 2021 | End of 2026 |
| Pillar 2 – COLLABORATE | | | | | |
| Consider the opinions and skills of our stakeholders^[8] on our biodiversity actions. Thus: 2.1 Participate in three biodiversity projects that mobilize different functions other than the sustainable development department with our partner networks, such as WWF France (specialized NGO), CDC Biodiversity (footprint calculation), ICFA and SAOBC (responsible breeding) | 2 4 7 8 9 10 | Group | Number of projects engaged with different stakeholders | Participate in at least 3 projects per year | End of 2026 |
| 2.2 Carry out technical and scientific studies on biodiversity^[9] aimed at better defining the challenges on the nature of the group's activities and sectors, in connection with academic partners | 1 3 4 | Group/ Sectors | Number of specific study in progress | Conduct at least 2 biodiversity studies per year | End of 2026 |
| Pillar 3 – ASSESS | | | | | |
| 3.1 Implement the strong sustainability tool SBTN^[10] , before 2026, as part of WWF France's Natural Capital Lab ^[11] | 1 2 3 4 6 10 | Group | SBTN steps achieved at the Group level | Completion of SBTN step 3 | End of 2026 |
| 3.2 Measure biodiversity footprint^[12] (IPBES pressure) by the Global Biodiversity Score approach, notably of supply chains (leather, silk, cashmere, wood, cotton), by 2026 with expert organizations | 1 3 4 10 | Group/ Sectors | % of the group covered by a detailed footprint study (GBS or equivalent) | 80% of the group's 2021 footprint | End of 2026 |
| Pillar 4 – ACT | | | | | |
| 4.1 Establish a biodiversity action plans for French production sites^[13] [60 own production and training sites in France, representing 10 métiers] | 1 2 4 5 9 10 | Sites | Number of French sites involved in biodiversity actions | 100% of French production sites participated in the diagnosis launched in 2021 | End of 2026 |
| 4.2 Obtain Certification and/or labelling^[14] of 54 raw material sectors by 2030, out of the 66 sectors integrated into the "sector briefs" and representing 99% of the group's activity. In collaboration with our suppliers and their ecosystem | 1 4 5 6 9 | Sectors | Number of certified or labelled raw materials | Certification and/or labelling of 27 raw material sectors in 2026. That's 50% of the 2030 target [for work launched since 2019] | End of 2026 |
| 4.3 As part of Hermès' involvement in the Livelhoods funds^[15] , allow for the increase of areas restored by agroforestry projects, mangroves, regenerative agriculture, with positive effects on biodiversity | 1 2 5 6 7 8 9 10 | Sphere of influence | Hectares of surfaces restored thanks to the projects of the Livelhoods funds | Increase of 10% of the key indicators between 2023 and end 2026 On the 2023 basis: Number of trees planted: 151 million Families equipped cooking stoves: 294.341 Hectares planted or preserved: 89.275 ha | End of 2026 |

1 <https://finance.hermes.com/en/a-value-creating-and-sustainable-french-model/>.

2 <https://www.annualreport.hermes.com/en/a-value-creating-and-sustainable-french-model/>, page 58-60.

3 URD 2023, p. 146.

4 https://www.act4nature.com/wp-content/uploads/2024/02/HERMES_Suivi-engagements-biodiversite_act4nature_2020-2022.pdf (french only).

5 URD 2023, p. 139.

6 Axa Climate Action, CDC Biodiversité,...

7 URD 2023, p. 139.

8 URD 2023, p. 139-140.

9 URD 2023, p. 140.

10 URD 2023, p. 140-143.

11 [lab-capital-naturel.fr](https://www.naturalcapital-lab.com/) (french only).

12 URD 2023, p. 146-147.

13 URD 2023, p. 147-148.

14 URD 2023, p. 128-130.

15 URD 2023, p. 225-228.