

# 2023 Universal Registration Document

CSR Extract

Non-Financial Performance Statement (NFPS)





The operation of this system is based on seven structuring principles, the foundations of the Livelihoods charter, which contribute to its interest:

- ◆ reduction first: the carbon credits generated by Livelihoods projects serve to complement internal reduction efforts, and are one of the parameters for achieving carbon neutrality by 2050;
- ◆ the additionality principle: the projects supported by Livelihoods would not have seen the light of day without its investment alongside project developers, the vast majority of which are NGOs, which requires detailed study in complex social and ecological contexts. These are not off-the-shelf or standardised projects, but projects that require a systemic and tailor-made approach. Starting from the aspirations of disadvantaged and sometimes marginalised communities, this involves helping them out of poverty by increasing their income and improving their food security;
- ◆ carbon credits certified to the highest standards, Gold Standard and Verra (formerly VCS), which validate the carbon effectively removed (and not carbon reduction estimates or future projections). In addition, each project gives rise to monitoring and impact calculations in accordance with the United Nations SDG framework, given its contributions, which extend beyond just carbon sequestration (no poverty, gender equality, life on land, etc.);
- ◆ taking an entrepreneurial risk to finance projects from the beginning: Livelihoods does not buy credits “on the market” from projects that have already been started, accepting to pay a margin to an intermediary. It helps communities by investing for them right from the beginning, and by taking a risk of between €2 million and €6 million on each project, with no absolute guarantee of any return. The communities concerned do not have the means to carry out their projects without this risk-taking. Project financing occurs during the first years, with the results seen, for example, when the trees grow. This can sometimes be five years after the main investments have been made;
- ◆ a long-term approach: companies and project sponsors, as well as communities, are committed to projects lasting between 10 years (energy projects) and 20 years (farming projects). During this period, the fund will help communities, monitor projects and receive credits after a few years. Commitments of this length are rare for company coalitions;
- ◆ local communities that benefit directly from projects: thanks to the NGOs that coordinate projects at local level, communities benefit directly from the advances provided by the projects: increases in soil fertility, regenerative farming, efficient agro-ecological practices, restoration of ecosystems, generation of farming, forestry and fishing income and the improvement of living conditions. This is actually one of the key success factors of the projects: the communities mobilise themselves because they find that there is a direct advantage to the project;

#### 2.5.7.3.2 High environmental and social contribution projects including the Livelihoods carbon funds

In June 2012, Hermès joined the Livelihoods carbon funds (LCF), a coalition of companies financing carbon offset projects with high social and environmental value. Livelihoods initiatives are described below as well as in the section covering relations with stakeholders (see § 2.7.2.1.4), notably explaining that more than 158 million trees have already been planted, benefiting more than 1.83 million people.

- ♦ a coalition of companies driven by the same spirit: all investors in Livelihoods pool their commitment and therefore receive credits from a portfolio of projects that have been developed and discussed together.

The Livelihoods funds are organised by a system of successive compartments. The first LCF1 compartment (Livelihoods carbon fund 1, €45 million), was opened in 2011, and until 2020 was the only one to issue carbon credits. Hermès has also been a shareholder since 2017 in a second sub-fund, LCF2 (€65 million), whose first deliveries took place in 2021. Numerous projects have already been launched by this fund, in India, Indonesia, Kenya, Rwanda and Malawi, on agroforestry, mangrove and energy projects.

Capitalising on 10 years of experience with private investors, at the end of 2019, Livelihoods announced the launch of a third carbon

fund (LCF3), which was closed in June 2021 and which aims for an investment objective of €150 million to improve the lives of 2 million beneficiaries in developing countries. In 2022, the LCF3 Board approved several projects located in Ghana, Rwanda, Peru, Nepal and Indonesia, which began to be rolled out in 2023.

More than €260 million have been collected to fight against climate change through the three Livelihoods funds.

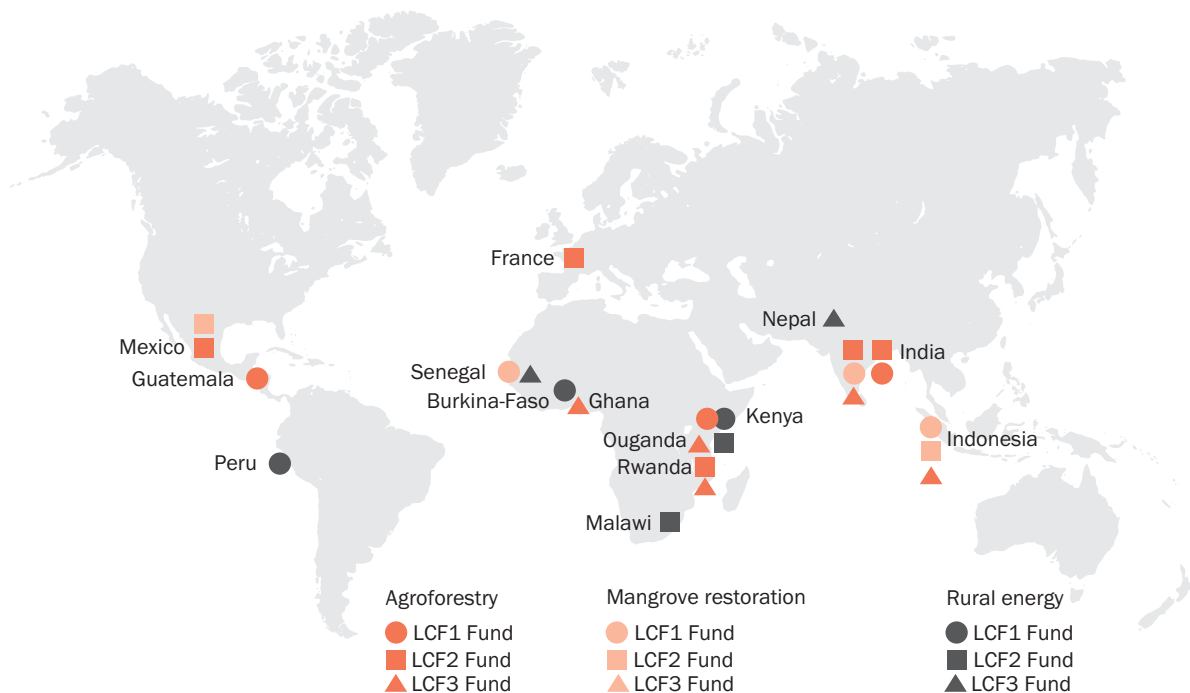
Hermès has thus confirmed its commitment to the climate, communities and biodiversity through investments in this third LCF3 compartment. With each of these funds having a lifespan of 20 years, the Group is demonstrating its long-term philosophy, and its ability to assume long maturities (2040) and continue its commitment to reducing the impact of climate change.

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Livelihoods projects produce positive impacts that go beyond the sequestration or reduction of carbon emissions, as illustrated by the following diagram:

### LIVELIHOODS CARBON FUND #1, #2 AND #3

25 extensive projects with concrete social and environmental results



#### Targeted objectives

|   |   |  |   |  |  |
|---|---|--|---|--|--|
| More than<br><b>2.8 M</b><br>project<br>beneficiaries | More than<br><b>173 M</b><br>trees<br>being planted | More than<br><b>456,000</b><br>households being<br>equipped with<br>efficient cookstoves | More than<br><b>148,752</b><br>hectares planted<br>or preserved | <b>26 M</b><br>tonnes of CO <sub>2</sub><br>sequestered<br>over 20 years | <b>25</b><br>current projects<br>(Asia, Africa,<br>Latin America,<br>Europe) |
|---|---|--|---|--|--|

Livelihoods launched a working group in May 2023 to formalise and further measure the impact of projects on biodiversity. Although the projects have clear biodiversity protection aspects, the objective is to be able to quantify them in a robust and scientific manner. A framework and a roadmap will be presented in February 2024 in order to define recommendations to be followed for all projects, in line with the TNFD reporting framework.

The carbon deliveries expand as the trees grow (the projects span a period of 20 years). They were made in 2023 after verification by specialised auditors (according to the Gold Standard and Verra – VCS standards), and Hermès cancelled all the credits granted to it.

In addition to its investment in the Livelihoods carbon funds, and to meet its commitments, Hermès has chosen to support projects

proposed by EcoAct, a major player in the field for more than 15 years. One of the projects selected, which makes it possible to obtain Gold Standard certified carbon credits, is located in Uganda, and consists of equipping local populations with improved cooking stoves, avoiding the use of charcoal and therefore deforestation and improving air quality inside homes. Another, on the same issue, is located in India.

Until 2022, Hermès accounted for its carbon credits each year on the basis of the amounts approved by the Boards of Directors of the underlying carbon funds. The year used corresponded to the actual capture of the projects, the files prepared locally and previously by the NGO partners and the start of verification operations by third parties (Verra, Gold Standard), with the following results:

| Reminder of carbon credits received and cancelled as published in 2022              | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|------|------|------|------|------|
| <b>Carbon credits received and cancelled</b><br><i>in k tonnes CO<sub>2</sub>eq</i> | 36   | 44   | 46   | 81   | 127  |
| % coverage of scopes 1 and 2 market-based (2019-2021)                               | 82%  | 100% | 100% | 100% | 100% |
| % coverage of scopes 1 and 2 market-based and Transportation (2022-2023)            |      |      |      |      | 100% |

Since 2022, the Livelihoods carbon funds have had to deal with difficulties setting up the necessary verification processes, with extended deadlines, without significant impact on the certified volumes. These difficulties are explained by the disruptions brought about by Covid-19 and a form of growth crisis in the certifying bodies, called on for an exponentially increasing number of projects. To apply a precautionary principle, in 2023 Hermès decided to change its accounting method. The carbon credits received and cancelled will

now only be recognised on receipt of the invoices attesting to the end of the legal certification operations, and therefore relating to carbon credits from previous years.

This approach leads to a reduction in the amounts reported by the Group, as a precautionary measure, and introduces greater variability to the schedule. It leads to the following results, reconstructed over the last five years for the sake of transparency:

#### CARBON CREDITS RECEIVED AND CANCELLED

| <i>In tonnes CO<sub>2</sub>eq</i>   | 2019       | 2020            | 2021            | 2022            | 2023            | Cumulative<br>2019-2023 |
|---|------------|-----------------|-----------------|-----------------|-----------------|-------------------------|
| <b>Carbon credits received and cancelled</b>  | <b>36</b>  | <b>42</b>       | <b>51</b>       | <b>56</b>       | <b>197</b>      | <b>382</b>              |
| Reminder of scopes 1 & 2  | 41         | 39              | 37              | 31              | 22              | 170                     |
| Reminder of the Freight transportation item<br>(items #4 and #7 in scope 3)           |            |                 |                 | 91              | 100             | 191                     |
| Total coverage commitment   | 41         | 39              | 37              | 122             | 122             | 361                     |
| <b>% coverage of scopes 1 &amp; 2 market-based<br/>(2019-2021)</b>                    | <b>88%</b> | <b>&gt;100%</b> | <b>&gt;100%</b> | <b>&gt;100%</b> | <b>&gt;100%</b> |                         |
| <b>% coverage of scopes 1 &amp; 2 market-based<br/>and Transportation (2022-2023)</b> |            |                 |                 | <b>46%</b>      | <b>&gt;100%</b> | <b>&gt;100%</b>         |
| Difference in cancelled credits vs.<br>commitments                                    | -6         | 3               | 13              | -67             | 76              | 20                      |
| Cumulative differences  | -6         | -3              | 11              | -56             | 20              |                         |
| % credits vs. Group carbon emissions  | 7%         | 8%              | 10%             | 9%              | 30%             |                         |

Over the period as a whole, Hermès met its 2019 target of offsetting its emissions to the extent of its scopes 1 and 2 (offsetting 224% cumulative). In 2022, Hermès decided to add a new target, complementary to scopes 1 and 2, and to also include the offset of emissions related to its internal and external transportation. To meet its commitments and take into account the unfavourable

impact of the change in method, the Group occasionally increased its purchases of carbon credits in 2023. It thus confirms compliance with its overall targets (scopes 1 and 2 and transportation over the period) with a bonus of 20 kt CO<sub>2</sub>eq difference (i.e. 5% above target for the 2018-2023 period). In 2023, the Group offset 30% of its emissions.

This voluntary investment in carbon offset projects is part of a strategy of gradually increasing the coverage rate of the Group's residual emissions, with the target of an intermediate situation of 50% between 2030 and 2040, and 100% of residual emissions by 2050, with a view to "net zero". The deliveries of these carbon credits will accelerate in the coming years with the achievement of the targets of the LCF funds. It should be noted that SBTi took a position

in September 2022 in its paper "Net-Zero: Urgent Beyond Value Chain Mitigation Is Essential". In short, SBTi is encouraging companies to take the leadership initiated by Livelihoods from the outset, namely to commit to large-scale societal projects, recognising them as an effective means of combatting climate change. The House's actions are therefore fully in line with SBTi's position on carbon offset.

## APPENDIX TABLES

§ 2.7.2.1.4 provides further information on the Livelihoods societal aspects.

### WATER

#### BREAKDOWN OF INDUSTRIAL WATER CONSUMPTION BY ACTIVITY

| In megalitres         | 2019       | 2020       | 2021       | 2022       | 2023       |
|-----------------------|------------|------------|------------|------------|------------|
| Tannery               | 407        | 343        | 352        | 365        | 339        |
| Textile               | 198        | 165        | 196        | 217        | 186        |
| Leather               | 29         | 26         | 33         | 30         | 31         |
| Metal                 | -          | 9          | 13         | 25         | 20         |
| Crystal manufacturing | 11         | 9          | 8.9        | 9          | 8          |
| Logistics             | 6.6        | 7.0        | 4.2        | 5.5        | 5.5        |
| Perfume and Beauty    | 5.1        | 6.7        | 6.2        | 5.9        | 6.7        |
| Watch division        | 3.2        | 4.9        | 4.9        | 5.2        | 3.6        |
| Beyrand               | 2.6        | 2.3        | 2.1        | 1.8        | 2.8        |
| Bootmaker             | 3.0        | 5.0        | 3.3        | 2.7        | 2.2        |
| Porcelain             | 2.3        | 2.3        | 2.3        | 2.8        | 2.8        |
| Silversmith           | -          | 0.24       | 0.18       | 0.18       | 0.15       |
| <b>TOTAL</b>          | <b>668</b> | <b>580</b> | <b>627</b> | <b>671</b> | <b>608</b> |
| Farms                 | 4,514      | 4,514      | 4,810      | 4,680      | 4,757      |

#### CHANGE IN INDUSTRIAL WATER CONSUMPTION (EXCLUDING FARMS)

| Year        | In m <sup>3</sup> | Intensity (m <sup>3</sup> /€M) |
|-------------|-------------------|--------------------------------|
| 2012        | 376,938           | 108                            |
| 2013        | 510,314           | 136                            |
| 2014        | 493,252           | 120                            |
| 2015        | 502,632           | 104                            |
| 2016        | 768,163           | 148                            |
| 2017        | 713,533           | 129                            |
| 2018        | 719,725           | 121                            |
| 2019        | 668,469           | 97                             |
| 2020        | 580,253           | 91                             |
| 2021        | 627,491           | 70                             |
| 2022        | 670,981           | 58                             |
| <b>2023</b> | <b>608,452</b>    | <b>45</b>                      |

Note: The reporting scope includes Les Tanneries du Puy, acquired in November 2015. From 2018, the reference period is the 12-month period from 1 November of the previous year to 31 October of the current year. The scope of reporting includes the Mégisserie Jullien (acquired in May 2020) whose data measured over the period from May 2020 to October 2020 are included in these figures.

### 2.7.2.1.3 Fondation d'entreprise Hermès (see chapter 1 "Presentation of the Group and its results", § 1.11)

The mission of the Fondation d'entreprise Hermès since its creation in 2008 has been to support those who act to promote the common good. One of its specificities resides in being an operator – or semi-operator – that is to say, it implements specific programmes or it is the major player in the fields of artistic creation, transmission of savoir-faire, preservation of biodiversity or solidarity in order to act as closely as possible on the ground in response to targeted needs. Whether they are artists, project leaders or simply students, the beneficiaries of its actions can thus experience very tangibly how the Fondation contributes, on its own scale, to building a better world.

In 2023, the Fondation continued its commitments through its programmes.

**Transforme**, a new programme dedicated to the performing arts, is a travelling festival created with four partners: La Comédie in Clermont-Ferrand, SUBS in Lyon, the Théâtre de la Cité Internationale and the Théâtre National de Bretagne in Rennes. In order to spread the vitality of the performing arts to other regions and thus reach new audiences, Transforme aspires to move spectators and artists alike through a multidisciplinary programme. Inaugurated in November 2023 in Paris, this first edition includes 15 hybrid shows scheduled by partner theatres until spring 2024. Moreover, as part of its commitment to creation, this year the Fondation produced and scheduled 10 contemporary art **exhibitions** this year in its four spaces spread across Europe (Brussels and Saint-Louis-lès-Bitche) and Asia (Tokyo and Seoul). Dedicated to contemporary photography, the **Immersion** programme was highlighted specifically in New York in 2023 at the International Centre of Photography, which presented a collective exhibition bringing together the last three winners of this programme. Lastly, the **Artist Residencies** programme enabled the visual artist Bianca Bondi to produce unique textile sculptures within Holding Textile Hermès, with the help of the site's craftspeople.

A legacy of the House's craftsmanship culture, transmission is naturally one of the Fondation's focus areas. The **Manufacto** programme is continuing its rollout among educational establishments for the eighth consecutive year. Spread across 15 academies – including Reunion Island – since the start of the 2023 school year, 2,100 students from primary to high school have been keen to discover the craftsmanship métiers during sessions organised as part of the school day. Open to savoir-faire professionals such as craftspeople, designers and engineers, the **Académie des savoir-faire** was extended this year to architects, due to the material to which this 6th edition was dedicated – stone – under the educational direction of the architect Lina Ghotmeh. For students seeking a work-study course, the various projects of the **Artists in the City** programme continued to be funded by the Fondation, and first and foremost the system of scholarships based on social criteria for the talents of tomorrow undertaking higher education in dance, theatre or circus skills. At the start of the 2023 school year, all classes combined, 140 students were thus receiving financial supported in this respect.

While the importance of ecological issues is measured every day, the Fondation is working actively with tomorrow's generations through **Manuterra**, a programme to raise awareness of the living world. For the third edition of this programme, more than 600 students in 10 academies are learning about the savoir-faire of permaculture by taking care of a garden plot through the seasons. At the same time, the Fondation is also committed to various project leaders who, on the ground, contribute to the preservation of **biodiversity and ecosystems** through multiple levers.

Lastly, the internal **H3 programme – Heart, Head, Hand**, which structures the Fondation d'entreprise Hermès' solidarity actions, completed its fourth edition before being reconfigured with the help of the Group's human resources department. In addition to the financial support granted to projects identified by the House's employees, they can now participate in a skills-based sponsorship format, enabling them to assist associations directly in the context of time slots taken from working hours.

Skills-based sponsorship in the framework of H3 has been rolled out in particular by certain subsidiaries (Switzerland, Hermès Horloger, United Kingdom) and recently in France, by the Hermès Group Services (HSG) team and HMS. The objective is to offer volunteer employees up to five days per year to carry out one or more missions with an association. In order to connect the selected associations with employees and present the proposed missions, a forum of associations was organised by HSG in June 2023 and by HMS in October. Missions may involve mentoring, preparation and/or distribution of food parcels or basic necessities. The collective dynamic has been launched and will be extended to other regions.

In 2023, the Fondation entered its fourth five-year term (April 2023-April 2028) with an increased budget of €63 million <sup>(1)</sup> over five years.

#### 2.7.2.1.4 Social impacts of carbon contribution programmes

All of the programmes presented in § 2.5.6.3 have social benefits that are measured and monitored with the partners selected by Hermès.

##### Livelihoods Carbon Fund

Since 2012, Hermès has been a partner of the Livelihoods Carbon Fund (LCF), which aims to improve the living conditions of disadvantaged communities in a sustainable manner by developing large-scale projects with real impact against climate change and simultaneously contributing to local populations and the restoration of biodiversity. Ecosystem restoration, agroforestry and conservation agriculture have the ability not only to sequester carbon sustainably, but also to enable nature and communities around the world to thrive.

LCF aims to be a start-up investor (with an entrepreneurial approach and investment risk) in three types of projects (ecosystems, agroforestry and energy) in Africa, Asia and Latin America as well as in France. The fund has 10 partners in its LCF1 & LCF2 compartments: Danone, Crédit Agricole, CDC, Schneider Electric, La Poste, Hermès International, Voyageurs du Monde, SAP, Firmenich and Michelin. Some of these companies, such as Hermès, have also joined the LCF3 fund with the Bel group, Chanel, DEG, Eurofins, the Global Environment Fund, the L'Occitane group, Mars, Mauritius Commercial Bank, McCain Foods and Orange.

1. Including €2 million euros for skills-based sponsorship.

The initial duration of the funds is 24 years, and the duration of a project varies between 10 and 20 years. By participating in these three funds for 12 years now, Hermès is committed to local economic

development, the protection of biodiversity and the fight against climate change.

### KEY INDICATORS OF THE LCF1 FUND

Results for the first Livelihoods Carbon Fund (9 projects):



| Macro objectives | Categories of impact   |   |   |
|------------------|--|---|---|
|                  | Social results   | Environmental results   | Economic results                                      |
|                  | Number of beneficiaries <sup>1</sup> :<br><b>961,000</b> people positively impacted to date  | Number of trees planted <sup>3</sup> :<br><b>127 million</b> to date  | Investment capacity of the fund<br><b>€45 million</b> |
|                  | <div>1 PEOPLE</div> <div>4 SKILL ACQUISITION</div> <div>5 GENDER EQUALITY</div>  | <div>13 CLIMATE ACTION</div> <div>15 LIFE ON LAND</div> <div>14 LIFE BELOW WATER</div>  | <div>17 PARTNERSHIPS FOR THE GOALS</div>              |
|                  | Number of households supported<br><b>193,987</b><br>Farmers trained <sup>2</sup><br><b>24,324</b><br>Women given access to cooking equipment<br><b>120,000</b> | Amount of carbon sequestered or avoided<br><b>8 MtCO<sub>2</sub> eq.</b> forecast<br><b>3.8 MtCO<sub>2</sub> eq.</b> verified to date<br>Hectares planted or preserved<br><b>27,030 hectares</b><br>Hectares converted to sustainable agricultural practices:<br><b>16,750 hectares</b> | Duration of commitment<br><b>20 years</b>             |

#### Definitions

- (1) Number of people involved who are positively affected by the project's activities.  
 (2) Farmers trained in sustainable agricultural practices.  
 (3) Trees, seeds, propagules (mangroves and agro-forestry trees) planted as part of the project's activities.

### KEY INDICATORS OF THE LCF2 FUND

Results for the 2<sup>nd</sup> Livelihoods Carbon Fund (nine projects to date):



| Macro objectives | Categories of impact  |   |  |
|------------------|---|---|--|
|                  | Social results  | Environmental results   | Economic results   |
|                  | Number of beneficiaries <sup>1</sup> :<br><b>868,300</b> people positively impacted to date   | Number of trees planted <sup>2</sup> :<br><b>31 million</b> to date   | Investment capacity of the fund:<br><b>€65 million</b>   |
|                  | <div>1 PEOPLE</div> <div>4 SKILL ACQUISITION</div> <div>5 GENDER EQUALITY</div> <div>6 CLEAN WATER AND SANITATION</div>   | <div>13 CLIMATE ACTION</div> <div>14 LIFE BELOW WATER</div> <div>15 LIFE ON LAND</div>  | <div>17 PARTNERSHIPS FOR THE GOALS</div> <div>8 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div>                      |
|                  | Number of households impacted<br><b>177,530</b><br>Number of farmers trained<br><b>43,233</b><br>Number of women supported <sup>3</sup><br><b>121,361</b><br>Farming associations created<br><b>557</b> | Amount of carbon sequestered or avoided (target)<br><b>10.3 MtCO<sub>2</sub> eq.</b><br><b>200 KTCO<sub>2</sub> eq.</b><br>Hectares planted or preserved<br><b>9,321</b><br>Hectares converted to sustainable agricultural practices<br><b>34,865</b> | Duration of commitment<br><b>20 years</b><br>Farming associations<br><b>849</b> strengthened<br><b>347</b> created |

#### Definitions

- (1) Number of people involved who are positively affected by the project's activities.  
 (2) Trees, seeds, propagules (mangroves and agro-forestry trees) planted as part of the project's activities.  
 (3) Number of women participating in training on how to create improved stoves and/or agroforestry and natural ecosystem restoration activities.



The third Livelihoods Carbon Fund (LCF3) aims to invest €150 million to improve the lives of 2 million beneficiaries in developing countries. Following on from LCF1 (2011, €45 million) and LCF2 (2017, €65 million), this new impact fund will invest in community projects for the restoration of natural ecosystems, agroforestry and regenerative agriculture. With the LCF3 fund, 1 million additional people will be positively impacted by the projects put in place.

More than €260 million have thus been collected to help disadvantaged communities, the fight against climate change and the protection of biodiversity. Fully operational, the fund has approved its first two major projects. An agroforestry project in Ghana covering 17,000 hectares aims to support the adaptation to climate change of small cocoa farmers and improve their living conditions.

The second is located in Rwanda, near the Nyungwe National Park, one of the most important sites for the conservation of birds and certain mammals in Africa and recognised by Unesco as a World Heritage Site. The project aims to implement agroecological practices with tea producers. Local populations will be able to benefit from new sources of revenue and consolidate their local positions. Annual monitoring will be carried out as part of Hermès' participation in LCF3.

The projects selected by Livelihoods for the first funds launched (LCF1 and LCF2) are already generating profits for local communities and ecosystems, as well as for the partners in the funds, which earn carbon credits with a significant environmental and social impact over the project development period, in proportion to their investment.

These projects, one of the characteristics of which is to extend their scope to a very large scale, are in particular the following:

- ♦ **restoration and preservation of natural ecosystems**, for example mangrove forests. Nearly 10,500 hectares have been replanted in this way over the past 10 or so years in Casamance ("Océanium" project) and 4,500 hectares in the Ganges delta ("News" project). With a strong educational dimension for local populations, these projects ensure their safety (protection against cyclones or seawater flooding) and provide food sources through ecosystem regeneration. The "Yagasu" project in Indonesia, covering 10,000 hectares, was faced with heavy government subsidies for the establishment of ponds for intensive fish farming. However, 50% of the surface areas were nevertheless preserved thanks to the joint efforts of LCF and the partner. The "Pronatura" project located in Mexico was also started to restore the working of the mangrove swamp ecosystem and improve the region's resilience;
- ♦ **agroforestry and soil remediation through sustainable agricultural practices**. With the support of the Naandi Foundation, Adivasi tribal communities in the Araku valley in India have, for example, planted six million trees (fruit trees, as well as for firewood, construction, etc.), including three million coffee bushes, in accordance with agroforestry models, with the aim of tripling these plantings in the coming years through the LCF2 project (the total project is expected to cover 14,500 replanted hectares). In Guatemala, 1,750 hectares of trees and food crops have been

planted in the Cerro San Gil mountain area ("Fundaeeco" project), allowing rural families to increase their food security and incomes, while protecting biodiversity. 1,615 hectares have already been planted, positively impacting 400 people (out of the 500 targeted). They now have revenues from rubber, cardamom and rambutan.

In Kenya (project VI "Agroforestry"), on the slopes of Mount Elgon near Lake Victoria, the livelihoods of 15,000 small farmers will improve through the intensification of agriculture respectful of natural resources (Sustainable Agricultural Landscape Management – SALM) already implemented on half of the planned area. Dairy farming has already expanded, benefiting nearly 7,000 farmers. The project also contributes to the protection of water resources and generates positive social impacts for women's jobs.

In Rwanda, the ambitious project to replant 3,495,176 trees in an agriculture conservation scheme with Arcos was rolled out on 15,466 hectares and reached nearly 25,000 farmers, with the distribution of livestock financed by microloan operations.

In India, the "Pradan" project is making it possible to replant more than 3.6 million trees that host Tasar silkworms on more than 3,200 hectares, with the aim of restoring biodiversity on an additional 3,600 hectares, and thus contributing to the development of this silk-related activity locally with more than 5,000 new jobs expected. Each of the 4,835 families should be able to earn a decent income.

In Mexico, in the mountainous region of Oaxaca, Livelihoods and its partners launched a shaded agroforestry coffee project to restore the fragile local mountainous ecosystem, while helping more than 3,000 smallholders to improve their incomes. This 20-year project was implemented by the local cooperative CEPCO, which has more than 30 years of experience with coffee producers in the region. The Livelihoods-CEPCO initiative enabled the restoration and preservation of 2,325 hectares, as well as the generation of 865,000 CO<sub>2</sub> over its entire duration. The cooperative is working to maintain momentum in a context where the market price of organic coffee is being overtaken by that of conventional agriculture;

- ♦ **access to rural energy to reduce deforestation**. In Kenya, the "Hifadhi" projects are equipping 120,000 households with improved wood stoves, as planned, which, by significantly reducing wood consumption, reduce the pressure on forests, the time it takes to collect wood for families, as well as exposure to toxic fumes.

In Burkina Faso, with the support of the Tiipaalgá NGO, 31,089 improved stoves were installed by inhabitants in their villages, in an effort to secure their use over time in part of the Sahel region. Women were trained in the maintenance and repair of facilities. With the financial support of the French Development Agency (AFD), an agroforestry component has been added to this project.

In the Peruvian Andes, the "ITYF" project (named after the NGO Instituto Trabajo y Familia) installed 30,000 improved wood-burning stoves with a significant impact against deforestation.



In Malawi, the “Chitetezo” project has equipped 5,000 families with access to drinking water and installed more than 61,000 improved cooking stoves under an innovative commercial scheme;

- ♦ **regenerative agriculture.** For the first time in Europe, in 2022 LCF2 launched a project called “Sols de Bretagne” in the Brittany region of France<sup>(1)</sup>. By interacting with local stakeholders (the Brittany region, the Regional Chamber of Agriculture and the local association Sols d’Armorique), this project supports around 100 farmers in the transition to regenerative agriculture covering 11,000 hectares, as well as sequestering 133,000 tonnes of CO<sub>2</sub> in 10 years. The objective is for farmers to avail of technical levers such as less ploughing, continuous cover, a reduction in inputs and crop rotation so that the soil is enriched and the biomass improved. Agricultural practices must evolve for environmental but also social benefits, by attracting young farmers motivated by these changes. Numerous indicators have been put in place to demonstrate the impact of these changes in practices. 93 farmers in this programme were identified as of September 2023.

In 2023, since their creation, the above LCF1 and LCF2 projects have helped replant 151 million trees, *i.e.* an area equivalent to five times the size of Paris and impacted the lives of more than 1.83 million people, having equipped more than 294,000 families with improved cooking stoves, which reduce deforestation and preserve women’s health, with a target of 16.6 million tonnes of CO<sub>2</sub> captured or avoided over the period (projects last between 10 to 20 years). They therefore help to offset Hermès’ carbon emissions on a voluntary basis (§ 2.5.6.3.2).

#### Other projects

In addition to the Livelihoods fund and on the recommendation of experts in the subject, Hermès has chosen to support projects presented by EcoAct and located in Uganda. Recognised as a major player in carbon offset, this company has existed since 2008 and has supported more than 370 projects in 36 countries with dedicated support and constant updating of impact indicators.

The Bihar Cookstoves project aims to replace inefficient cooking techniques that are responsible for deforestation with improved, sustainable and energy-efficient cooking stoves. Launched in 2021, it has already demonstrated social benefits, particularly for women, who are often in charge of collecting firewood, and has improved the quality of life of households by reducing indoor pollution. Hermès has been supporting this project since 2023.

1. <https://livelihoods.eu/portfolio/brittany-france-regenerative-agriculture/>