

2023 Universal Registration Document

CSR Extract

Non-Financial Performance Statement (NFPS)



2.2.4 OUR MANAGERIAL PHILOSOPHY – MANAGING DIVERSITY, EQUITY AND INCLUSION

2.2.4.1 AMBITION

The sustainability of the business model relies on the contribution of each employee to a collective project. The humanist culture and social model, which are passed on from generation to generation, nurture fundamental values, one of which is freedom: freedom to create, to act and to undertake, to be who you are and for each person to bring their own unique perspective.

The Group's managerial philosophy, in this humanist model, is unique and singular. Respect for men and women, savoir-faire and the history of the House are passed on by example, exchange and dialogue, and a detailed understanding of what comprise the fundamentals of Hermès.

Faced with the challenge of transmission in a context of strong growth, and convinced that humanist values are at the heart of collective success, Hermès entrusted an academic study to a team of INSEAD researchers in 2023, with the aim of formalising the House's managerial philosophy. This large-scale study, carried out in France and abroad, enabled employees of all métiers and all levels of responsibility to explain and show in a very concrete way what the essential elements of this philosophy are and the way they are embodied. In 2024, this study will lead to work on a summary that will serve as a compass enabling everyone to act in a balanced, precise and responsible way, while leaving essential room for freedom and autonomy.

Managing diversity, equity and inclusion

Through the House's métiers, creations, savoir-faire, distribution network and customers, diversity is deeply rooted within Hermès. Our uniqueness is based on the Group's ongoing commitment to recruit and integrate employees from all backgrounds.

Hermès' humanist values help create an inclusive work environment in which everyone finds their place and thrives in respect for others. This strong sense of belonging and collective working together is an invitation to join the House's families and share a unique collective adventure.

The Diversity & Inclusion ambition for the entire House is built around a shared commitment and the development of specific actions that meet local needs.

Each Hermès entity is asked to commit to a “common foundation” action programme based on three areas:

- ◆ eradicate all forms of discrimination;
- ◆ achieve gender equality;
- ◆ promote the inclusion of people with disabilities.

In order to extend this approach internationally, a network of 28 D&I – Diversity & Inclusion officers (covering 100% of the Group’s workforce) – was set up in 2022 to provide local visibility, roll out joint actions and develop their own initiatives according to their local Diversity & Inclusion issues. This network was strengthened in 2023 with the organisation of a seminar for the ambassadors and reflection on a common roadmap.

Each entity has defined a Diversity & Inclusion action plan, included in its roadmap, which was shared with the entire community of officers so that they can benefit from the discussions and share best practices.

2.2.4.2 FIGHTING AGAINST ALL FORMS OF DISCRIMINATION

The responsible employer policy implemented in the Group consists of establishing conditions that provide equal opportunity in terms of recruitment and employment, under its various components, and fighting all forms of discrimination.

For this, a common approach has been structured, enabling awareness to be raised and stakeholders to be trained on diversity, unconscious bias and micro-inequalities, in order to neutralise stereotypes in decision-making.

The entire community of the Group’s D&I contacts was trained on the issues of diversity and inclusion through the Diversity Fresk in partnership with ESSEC in March 2023, as well as on unconscious bias.

Employee representatives also benefited from training on unconscious bias, in order to facilitate their awareness and enable them to play their role fully.

An e-learning awareness module on “unconscious bias and micro-inequalities” was set up and translated into 11 languages in June 2023. It is mandatory for managers and the HR community in France and internationally, and open to all employees.

At the same time, Hermès is continuing to roll out the Alterego training programme in its subsidiaries, with the aim of promoting inclusion, explaining the value of difference for the Company and thus strengthening the equitable management of access to employment and career management. Since its launch in 2017, 946 managers and members of the HR teams have followed this programme in France, including 196 in 2023.

The aim is to share the Hermès culture as a responsible employer and an actor and to pass on the ambition of inclusion, particularly with regard to disability, religion, gender equality and intergenerational management.

An international network of contacts	Raising awareness of unconscious bias	Promoting inclusion
28 D&I officers	1 e-learning module rolled out worldwide (translated into 11 languages) in June 2023	946 managers and HR followed this programme in France, i.e. nearly 50% of this population, including 196 in 2023

Hermès of Paris has developed the “HOP Hiring Programme & Toolkit” promoting inclusive recruitment to welcome talents from various backgrounds, develop recruitment practices focused on the search for uniqueness and attract candidates by talking about the House’s values. For this, managers and HR in charge of recruitment are trained and have access to an inclusive recruitment kit.

Some entities (Hermès Distribution France, Hermès Group Services, Hermès Japan, Hermès Switzerland, Hermès Brazil) aim to build partnerships with specialised recruitment agencies to source various profiles.

2.2.4.3 PROMOTING GENDER EQUALITY

The Group's policy is to promote gender diversity and equality at all levels of the organisation in all entities and countries.

Particular attention is paid to gender equality within the House, with women comprising 68% of employees overall, 60% of managers, 70% of the Operations Committee and 47% of the Top 100 (see § 3.3.4.2. "Gender balance of governing bodies").

Furthermore, special attention is also paid to equality, particularly in the awarding of equal pay for equal work and ensuring equal opportunities at all levels of employment. The 2023 gender equal pay index, implemented in France, resulted in a score of 92/100.

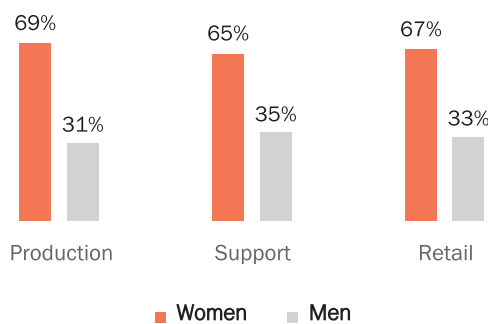
Promoting professional equality also involves building networks and

communities to support this ambition. In 2021, 13 women from different horizons in the House took the initiative to create "**Hécate**", the network of **Hermès women** whose objective is to create a space for listening and trust, to give everyone the means to express themselves, nurture, connect and develop. Since its creation, this network has brought together more than 100 women around various events.

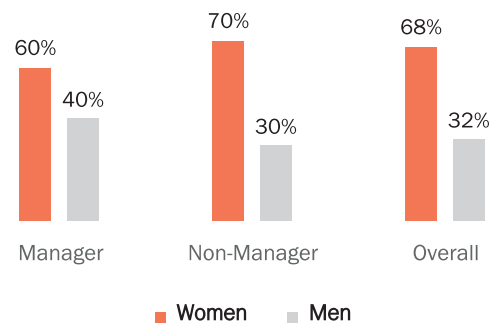
In 2023, the network met for three afterworks and five morning discussions on themes such as mentoring, parenting, careers, vulnerabilities and burnout. During these meetings, which represent opportunities for discussion, inspiring women from different horizons are invited to share their experiences. An Inspiration that Hécate also shares through its cultural newsletter.

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GENDER BREAKDOWN BY SECTOR



GENDER BREAKDOWN - MANAGERS AND NON-MANAGERS



2.2.4.4 PROMOTING THE INTEGRATION OF PEOPLE WITH DISABILITIES

True to its humanist values, the Group has always been concerned with the integration and retention of people with disabilities. Wishing to further mobilise the entire organisation, a first group disability agreement was signed with the social partners in 2017 for the period 2018-2020, and was renewed by the signature of a second disability agreement for 2021-2023. This agreement made it possible to define a structured policy, the allocation of a dedicated budget, the implementation of communication tools intended to increase this commitment, supported at the highest level of the Group, with a sponsor member of the Executive Committee, generating steady progress. A third Group Disability Agreement was signed at the end of 2023.

The Group Disability Agreement, created in 2017, has helped a network of disability officers, which has gradually been expanded and professionalised. Today, it is made up of 16 Disability Officers representing each métier to help all sites make progress in integrating and retaining those with a temporary or permanent disability. The network of Disability Officers meets on a regular basis to share best practices, visit sheltered work establishments (ESATs) and promote skills development.

In order to promote the commitment to disability as close as possible to employees, a network of 130 Disability Ambassadors has been set up. Trained in disability, these employees with varied profiles (craftspeople, support functions, sales associates, etc.), who are not necessarily disabled, have volunteered to promote actions in favour of disability on their site. Working closely with their site disability officer, their role consists of informing, communicating, advising and providing guidance, while contributing to awareness-raising actions.

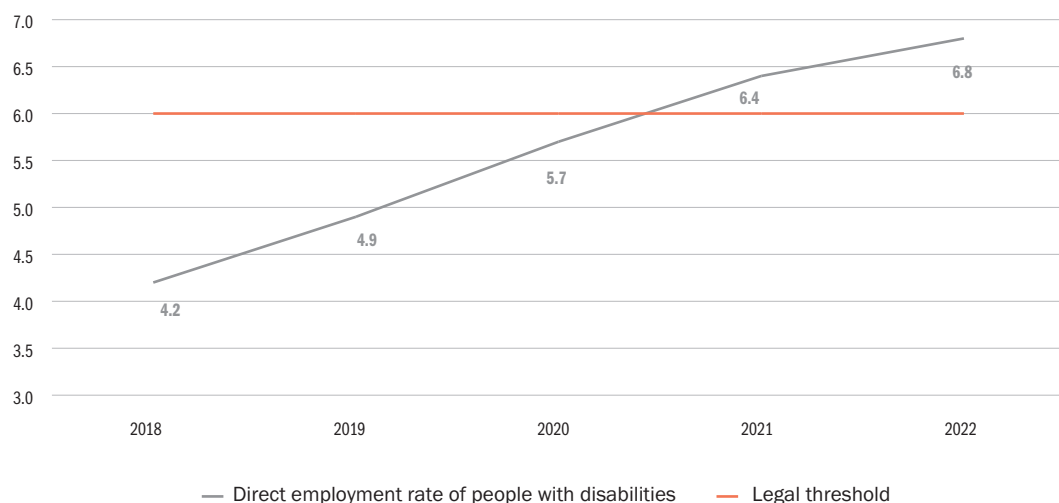
POLICY AND COMMITMENT

As part of the second agreement approved for the years 2021-2023, the Group is pursuing its ambitions in terms of inclusion, in particular on the following issues:

- ♦ promoting the employment and integration of people with disabilities;
- ♦ structuring a genuine job retention policy;
- ♦ strengthening indirect employment through collaboration with the sheltered and adapted sector and self-employed disabled workers;
- ♦ strengthening the fight against decision-making biases caused by stereotypes or bias in terms of disability and changing views within the Company through information and communication.

The Group Disability Agreement anticipated the scheduled end of the approved collective agreements by **signing a third Group Disability Agreement** on 29 November 2023 in order to continue working to promote the inclusion of people with disabilities in all regions beyond 2023. This agreement came into force on 1 January 2024.

At constant legislation, the **direct employment rate** for 2022 was 6.85% versus 3.5% at the launch of the Group's first Disability Agreement in 2017. The number of people with disabilities has more than doubled in six years, **exceeding 760 employees recognised at the end of 2022**. In 2023, more than 55 French employees took their first steps to having their disability recognised.



In %	2018	2019	2020	2021	2022	2023
Direct employment rate of people with disabilities in France	4.2	4.9	5.7	6.4	6.8	To be published in June 2024

Hermès is committed to continuing its efforts to include people with disabilities, for all its entities around the world, with the objective of achieving a 6% average direct employment rate of people with disabilities in the Group.

Promoting the employment and integration of people with disabilities

The first objective of the agreement being recruitment, Hermès continued its participation in **recruitment fairs** dedicated to candidates with a disability, such as Hello Handicap or Open Forum ESSEC. All job offers in France appearing on the Hermès Talent website are automatically sent to the AGEFIPH recruitment site and the applications received via AGEFIPH are thus identified to ensure the best possible processing.

Since the first agreement, 87 recruitment and human resources players as well as managers, including 19 in 2023, have been

trained in the recruitment of people with disabilities, to help them feel more comfortable in recruiting and supporting people with disabilities throughout the hiring process.

Structuring a genuine job retention policy

More than **€200 thousand** of the Group Disability Agreement budget was devoted to workstation adjustments or the financing of individual equipment (workstation studies by ergonomists, adaptations of work organisation, skills assessments or mediation coaching). The agreement also allows for an adjustment over the final two years of someone's career by moving to part-time work (80% of full time) while maintaining compensation at 100%.

Strengthening indirect employment through collaboration with the sheltered and adapted sector and self-employed disabled workers

The House also has a societal commitment to responsible purchasing, in particular by providing work to adapted structures (EAs and ESATs) that welcome workers with disabilities.

The use of the external sheltered work sector can also be a **gateway to the employment and integration of people with disabilities** within the House.

The success of this inclusion model is also enabled by a committed managerial culture open to diversity, as well as by long-term partnerships established with EAs (adapted companies) and ESATs (sheltered work establishments).

Since 2013, Hermès has been supporting the **Equiphoria** Hippotherapy Institute to design a saddle that does not hinder interactions between animals and patients. The Hermès saddler craftspeople have thus used their savoir-faire to assist the teams of doctors and caregivers of this foundation, as illustrated in the film “Footsteps Across the World” broadcast for the first time in 2022 in La Canourgue and viewable on our website.

Strengthening the fight against decision-making biases caused by stereotypes or bias in terms of disability and changing views within the Company

The 6th edition of the **Handi'Cap forum in 2023**, an annual highlight,

was held in early September, in virtual form, and brought together nearly 250 new managers and new HR, essential levers for the effective implementation of the Disability policy, with an openness to the international through the involvement of all the world Diversity & Inclusion officers.

The Group was very active during the 2023 **DuoDays** operation, launched by the French government, by hosting 140 DuoDays. This involves changing attitudes by welcoming people with disabilities who are looking for work or who come from ESAT-type support structures and over the course of a day, showing them the work of employees so that they may take a look behind the scenes of the production or support function métiers.

Hermès continued to produce episodes of the **new series “In full agreement”** which clearly illustrates the four pillars of its Group disability agreement approach through inspiring encounters and initiatives implemented within various Group entities.

2023 key figures

6.85%: direct employment rate for people with disabilities in France in 2022 (vs. 3.5% at the launch of the first Group Disability Agreement in 2017)
16 Disability Officers representing each of the House's métiers
130 Disability ambassadors
760 employees in France with disability recognition (+55 employees applied to be recognised in 2023)

2023 key initiatives

Week for the employment of people with disabilities in France and abroad
140 DuoDays
6th edition of the Handi'Cap forum
“In full agreement” series

Entities and subsidiaries engage through local initiatives

Leather

Hermès Leather Goods & Saddlery's commitment to disability is part of a global purchasing policy structured and anchored locally, where each regional division has developed an EA/ESAT partnership in order to increase the skills of these structures adapted to the Company's leather savoir-faire as required for the manufacture of our objects. Some EA/ESAT partners become manufacturers for the House, to whom it entrusts the production of objects from our collections.

Distribution subsidiary France

Disability is an important aspect of Hermès Distribution France's Diversity & Inclusion policy, with two major goals:

- ◆ integrate at least one person with a disability in each of our stores, regardless of the type of contract;
- ◆ at the same time, increase recruitment on permanent employment contracts to integrate and develop people on a long-term basis.

The development of partnerships with ESATs is an essential lever for achieving these commitments. Hermès Distribution France has partnerships in the form of “off site” services or provision with ESATs in 11 stores across France: in the North, West, South, Rhône and Paris regions. The aim is to extend these partnerships to all stores. ESAT workers generally take on positions in reception, inventory, sales support, ironing and retouching.

In 2023, all countries were invited to act in favour of people with disabilities by participating in the week for the employment of people with disabilities, or by participating in the DuoDays programme.

Watches

In June 2023, Hermès Horloger organised its second edition of the Week of Disability in partnership with a local foundation through a range of activities: multi-activity visits to discover the métiers, sports activities, and a new event: “round trip” DuoDays (in a reciprocal *vis-ma-vie* approach: Hermès Horloger employees hosted workers with disabilities for a day; and in turn, the employees were able to discover the professional environment of the foundation's workers).